

THROUGH THE LENS OF PATER-AMERICANISM: A COMPARATIVE  
ANALYSIS OF THE EISENHOWER ADMINISTRATION'S PERCEPTION OF  
GUATEMALA AND BOLIVIA, 1953 AND 1954

BY

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Submitted to the graduate degree program in Latin American Studies  
and the Graduate Faculty of the University of Kansas  
in partial fulfillment of the requirements for the degree of  
Master's of Arts.

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*Through the Lens of Pater-Americanism: A Comparative Analysis of the Eisenhower Administration's Perception of Guatemala and Bolivia, 1953 and 1954*

Chapter 1

Poverty, harsh labor conditions, a marginalized indigenous sector, and an unfair distribution of wealth and resources characterized Guatemala in 1944. Middle-class professionals and workers came together to set off the first stages of the Guatemalan Revolution. Overthrowing the Ubico dictatorship, a vocal sector of this coalition demanded action. In 1953 and 1954, the government of Jacobo Guzmán Arbenz carried Guatemala into the next stages of this revolution. The nationalist, reformist government of Arbenz initiated new reforms and realized earlier programs. These efforts included educational programs, expropriation of international export industries, and agrarian reform.

From the United States, the Eisenhower Administration observed the Guatemalan Revolution within the framework of a developing Cold War strategy. These policymakers refused to support the Guatemalan Revolution, for the Eisenhower Administration characterized Arbenz as a communist puppet and the Guatemalan government as communist infiltrated. US officials denied economic assistance to Guatemala while discouraging other Latin American countries from providing aid or support to Arbenz. After further inquiries and diplomatic discussions, the Eisenhower Administration would ultimately provide resources to counterrevolutionaries and covertly instigate a coup. These policies provide a

dramatic contrast with those the Eisenhower Administration followed towards Bolivia in the same time period.

In 1953 and 1954, the government of Víctor Paz Estenssoro carried Bolivia into the next stages of its revolution. Middle-class professionals and workers came together in 1952 to set off the first stages of the Bolivian Revolution. Undermining the oligarchy, a vocal sector of this coalition demanded action. Poverty, harsh labor conditions, a marginalized indigenous sector, and an unfair distribution of wealth and resources characterized this Latin American country. In response to such demands, the nationalist, reformist government of Paz initiated new reforms and fulfilled earlier programs. These efforts included educational programs, expropriation of international export industries, and agrarian reform.

From the United States, the Eisenhower Administration observed the Bolivian Revolution within the framework of a developing Cold War strategy. These policymakers initially refused to support the Bolivian Revolution, for the Eisenhower Administration characterized Paz as a communist puppet and the Bolivian government as communist infiltrated. US officials denied economic assistance to Bolivia while discouraging other Latin American countries from providing or support to Paz. After further inquiries and diplomatic discussions, the Eisenhower Administration would ultimately provide invaluable resources to the Bolivian government that would prop up the Paz government and push forward many of the reforms of the Bolivian Revolution.

The Eisenhower Administration's defiant reaction to the Arbenz government in Guatemala and accommodating response to the Paz government in Bolivia have received the attention of students of US-Latin American relations and Latin American history.<sup>1</sup> The governments of both Latin American countries, as expressed above, shared numerous attributes. Kenneth Lehman succinctly describes the similarities:

Both advanced similar modernizing reform programs and drew support from analogous coalitions of disgruntled workers, the urban middle class, and peasants. Both rejected the political elitism, sociological Eurocentrism, and export-oriented economic liberalism of the oligarchies that traditionally ruled their countries; both sought instead to enfranchise newly rising classes, further integrate native peasants into national society, and empower the state to redirect economic development and distribute its benefits more equitably. Ideologically eclectic, they drew from Marxism but filtered it and other ideological sources through a national perspective, and both received Communist party support.<sup>2</sup>

This thesis will compare the Eisenhower Administration's perception of Guatemala with that of Bolivia in 1953 and 1954 to understand why the US government responded differently to very similar circumstances. The Eisenhower Administration reacted to a nationalist, reformist government in Guatemala with covert operations seeking to overthrow Arbenz. However, these same policymakers provided a nationalist, reformist government in Bolivia with economic assistance that would stabilize Paz. Richard H. Immerman describes the US government's reaction to the Arbenz government as a "test tube" or a "laboratory" for US foreign policy during the Cold War at a price of \$20 million.<sup>3</sup> G. Earl Sanders characterized the US

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<sup>1</sup> As the description on page 12 and the bibliography detail, some of the more prominent authors include Bryce Wood, Cole Blasier, and Kenneth Lehman.

<sup>2</sup> Lehman (1997), 185-6.

<sup>3</sup> Immerman (1978), 2. The cost derives from Schlesinger and Kinzer (2005), 111-2: One official "provided a budget estimate of \$4.5 million, though others later claimed the operation actually cost closer to \$20 million."

government's response to the Paz government as a "quiet experiment" in US foreign policy that received \$19.5 million from the US.<sup>4</sup>

I will argue that the Eisenhower Administration's distinct approaches to these two Latin American governments in 1953 and 1954 derived from US officials' discourse with and perceptions of the Latin American officials. US officials expected Latin American governments and their representative officials to adhere to an overarching ideology of US foreign policy toward Latin America that I define as pater-Americanism. This ideology defined US officials' perceptions of Latin American governance and impacted US-Latin American relations for centuries. US officials perceived Latin American countries as incapable of self-governance, so US officials believed that these governments must follow a path of modernity and progress set by the US. As a result, US officials attempted to construct an interlocking coalition of governments, an inter-American system, spearheaded by the US and united against the invasion or threat of any extra-hemispheric or ideological challenge to US hegemony in the Western Hemisphere.

With this foundation, this thesis contends that the adherence and acquiescence of Latin American officials to the ideas behind pater-Americanism greatly influenced the Eisenhower Administration's differing perceptions and reactions to the Arbenz and Paz governments. Despite their similarities, the Arbenz and Paz governments themselves responded differently to the US government's and its officials' demands and suggestions. The Arbenz government in Guatemala defied US policymakers'

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<sup>4</sup> Sanders (1976), 26; Wilkie, 48.

expectations that the Guatemalan government would adhere to the principles of hemispheric solidarity and unquestioning protection of private enterprise. The Eisenhower Administration then promptly labeled the Arbenz government as communist infiltrated and proceeded with plans to overthrow the government. When US officials shared their preoccupations of communist infiltration in Bolivia with the Paz government, Bolivian officials accommodated their rhetoric and appeased such preoccupations. US policymakers would thus interpret the Paz government as supportive of US goals to prevent communist subversion and ensure hemispheric solidarity.

The methodology of this thesis builds upon the assumption that a specific ideology informed the decisions of US policymakers in the Eisenhower Administration. US officials placed the relationship between the US and Latin America within their particular understanding of pater-Americanism. As will be described in Chapter 2, this ideology included a belief in the superiority of the US and the resulting responsibility for US officials to ensure that Latin American countries followed a ‘proper’ path of governance, progress, and modernity. The importance of understanding how various ideals or an overarching ideology informs US foreign policy takes from the works of historians such as Michael H. Hunt and William Appleman Williams.<sup>5</sup> It is upon these works that this thesis contributes to the

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<sup>5</sup> Consider how pater-Americanism will be set within the frameworks described by Hunt and Williams. Williams, 9, describes how “with the rise of Jacksonian Democracy during the 1820s...Americans steadily deepened their commitment to the idea that democracy was inextricably connected with individualism, private property, and a capitalist marketplace economy,” ideals interconnected to the ideology of pater-Americanism.



analysis of the role of ideology in US foreign policy with regard to the Eisenhower Administration's responses to the Guatemalan and Bolivian governments.

To accomplish this task, this thesis utilizes a discourse analysis to examine how this ideology manifested and impacted the decisions of the Eisenhower Administration. In examining the statements and memos of US officials, one can uncover how these officials not only constructed but also justified their decisions. Such an analysis will shed light upon how the ideals behind pater-Americanism emerged. Discourse analysis will shed light upon how Eisenhower officials perceived the Guatemalan and Bolivian governments through a lens defined by the rhetoric, tone, and symbols informed by pater-Americanism. A discourse analysis will provide for an assessment of how the ideology of US foreign policy toward Latin America influenced and determined the differing approaches of the Eisenhower Administration toward the Arbenz and Paz governments.<sup>6</sup>

This thesis incorporates primary materials from the Eisenhower Library. The materials derive from the discussions of the Eisenhower Administration and the National Security Council, primarily those concerning the Administration's policy in both Guatemala and Bolivia. The discourse analysis of this thesis utilizes these materials to take a deeper look into how Eisenhower officials made discussions about US foreign policy toward Latin America. The primary materials thus allow for an examination into how the Eisenhower Administration approached the Arbenz and Paz

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<sup>6</sup> See the overview on critical discourse analysis in Teun A. Van Dijk's "Critical Discourse Analysis" and on political discourse in John Wilson's "Political Discourse" in *The Handbook of Discourse Analysis*, ed. Deborah Schiffrin, Deborah Tannen, and Heidi E. Hamilton (Malden, MA: Blackwell, 2001), 352-71 and 398-415 respectively.

governments. I will argue that it was less the actions of the Arbenz and Paz governments that determined US responses than it was how they talked about their actions and attitudes with US officials. Thus, it was the discourse that specifically resulted in the differing US policies toward the two governments.

This thesis focuses upon US officials' perceptions of the Guatemalan and Bolivian governments. Discourse analysis serves to highlight how Guatemalan and Bolivian officials appeared to have maneuvered around the expectations of Eisenhower officials and within the ideology of pater-Americanism. A more penetrating analysis of the leadership of the two Latin American governments and the reasons for their actions, however, is beyond the scope of this thesis. Through the primary documents and secondary materials, this thesis strives to contribute to the analysis of US foreign policy to Latin America.

This thesis' exploration is based on the foundations of numerous other works. The need to evaluate and understand the ideologies and perceptions of US policymakers is best articulated by Michael H. Hunt in *Ideology and U.S. Foreign Policy*, "Ideologies are important because they constitute the framework in which policymakers deal with specific issues and in which the attentive public understands those issues. For both groups, ideologies elucidate complex realities and reduce them to understandable and manageable terms."<sup>7</sup> Hunt provides an insightful description

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<sup>7</sup> (New Haven, CT: Yale UP, 1987), 16. However, the analysis of an overarching ideology must be tempered by a flexible understanding of what might be considered nonideological factors, as Hunt elucidates, "It is important, to begin with, to accept the view that the relationship between ideas and action is not rigid. The simple idea or set of ideas on which a policy may initially rest invariably has to leave room for diverse nonideological considerations, such as a need for access to export markets and

of how racism and revolution have impacted US foreign policy toward Latin America.<sup>8</sup> I strive in this thesis to contribute to such work by identifying paternalism and expanding upon this ideology by describing how it informed the Eisenhower Administration's perceptions of the Arbenz and Paz governments.

The analysis of US foreign policy and ideology in US-Latin American relations has received numerous contributions. One of the most expansive and thorough texts is Fredrick B. Pike's *The United States and Latin America: Myths and Stereotypes of Civilization and Nature*.<sup>9</sup> Pike explores how US citizens have defined Latin Americans in terms of racist, childish, and uncivilized stereotypes and clarifies how US officials have taken the ideologies of US national greatness and Latin American's inability to achieve order and modernity as justifications for presenting the US as the hemisphere's guardian. This idea of US supervision over Latin America's internal affairs and pursuit of modernity also serves as the foundation for other invaluable texts on US-Latin American relations and ideology. Lars Schoultz in *Beneath the United States: A History of U.S. Policy toward Latin America* provides a broad overview of these paternalistic ideals.<sup>10</sup> The foundations for US-Latin American relations are uncovered in the case studies included within the companion volumes *United States-Latin American Relations, 1800-1850: The Formative*

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raw materials, preservation of essential national security, attention to the preferences of the electorate, and even the promptings of personal political ambitions" (16). This thesis attempts to find such a balance, as the bibliography will explain.

<sup>8</sup> Hunt, Chapters 3 and 4, esp. 58-68.

<sup>9</sup> Austin, TX: U of Texas P, 1992.

<sup>10</sup> Cambridge, MA: Harvard UP, 1998.

*Generations*, edited by T. Ray Shurbutt,<sup>11</sup> and *United States-Latin American Relations, 1850-1903: Establishing a Relationship*, edited by Thomas M. Leonard.<sup>12</sup> The exploration of the Good Neighbor Policy in Bryce Wood's *The Making of the Good Neighbor Policy*<sup>13</sup> and Fredrick B. Pike's *FDR's Good Neighbor Policy: Sixty Years of Generally Gentle Chaos*<sup>14</sup> also contributes to the scholarship in US foreign policy toward Latin America up to the Cold War. The intersection between the ideology of US-Latin American relations and the ideological conflict of the Cold War benefits from the work of scholars such as that of Jorge I. Domínguez's "US-Latin American Relations during the Cold War and its Aftermath"<sup>15</sup> as well as the dynamic work in the exploration of the Cold War's impact upon the Third World in Odd Arne Westad's *The Global Cold War*.<sup>16</sup>

The works on the foreign policy of Eisenhower and his officials are essential to this thesis. The discussion of containment derives primarily from John Lewis Gaddis's *Strategies of Containment: A Critical Appraisal of American National Security Policy during the Cold War*.<sup>17</sup> A diverse array of scholars has contributed works to illuminate the intricacies of the Eisenhower Administration's foreign policy. Blanche Wiesen Cook's *The Declassified Eisenhower: A Divided Legacy of Peace*

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<sup>11</sup> Tuscaloosa, AL: U of Alabama P, 1991.

<sup>12</sup> Tuscaloosa, AL: U of Alabama P, 1999.

<sup>13</sup> New York, NY: Norton, 1967.

<sup>14</sup> Austin, TX: U of Texas P, 1995.

<sup>15</sup> In *The United States and Latin America: The New Agenda* (Cambridge, MA: David Rockefeller Center for Latin American Studies, Harvard U, 1999), 33-50.

<sup>16</sup> New York, NY: Cambridge UP, 2007.

<sup>17</sup> 2<sup>nd</sup> ed. (New York, NY: Oxford UP, 2005).

*and Political Warfare*<sup>18</sup> and Robert R. Bowie's and Richard H. Immerman's *Waging Peace: How Eisenhower Shaped an Enduring Cold War Strategy*<sup>19</sup> have helped me better understand Eisenhower's approach to foreign policy. Works which have provided insight into the Eisenhower Administration's foreign policy in general and to Latin America include Stephen G. Rabe's *Eisenhower and Latin America: The Foreign Policy of Anticommunism*,<sup>20</sup> W.W. Rostow's *Eisenhower, Kennedy, and Foreign Aid*,<sup>21</sup> and Burton I. Kaufman's *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953-1961*.<sup>22</sup>

Numerous authors have expanded the scholarship into US involvement in the Guatemalan Revolution and the coup of Arbenz, some focusing upon realist and nonideological factors and others exploring how Guatemala appeared within the context of US-Latin American relations. The argument that the Eisenhower Administration believed its actions served to undermine a communist infiltrated government are best represented in Richard H. Immerman's *The CIA in Guatemala: The Foreign Policy of Intervention*.<sup>23</sup> Stephen Schlesinger and Stephen Kinzer highlight in *Bitter Fruit: The Story of the American Coup in Guatemala*<sup>24</sup> the links between the United Fruit Company and the Eisenhower Administration. Piero Gleijeses' *Shattered Hope: The Guatemalan Revolution and the United States, 1944-*

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<sup>18</sup> Garden City, NY: Doubleday, 1981.

<sup>19</sup> New York, NY: Oxford UP, 1998.

<sup>20</sup> Chapel Hill, NC: U of North Carolina P, 1988.

<sup>21</sup> Austin, TX: U of Texas P, 1985.

<sup>22</sup> Baltimore, MD: John Hopkins UP, 1982.

<sup>23</sup> Austin, TX: U of Texas P, 1982. This text builds upon Immerman's dissertation *Guatemala and the United States* (1978).

<sup>24</sup> 2<sup>nd</sup> ed. (Cambridge, MA: David Rockefeller Center for Latin American Studies, Harvard U, 2005).

1954 contributes interviews with Arbenz's wife and other officials, discusses in detail the character of the Arbenz government, and explores how the actions and rhetoric of Guatemalan and US officials interacted within the Cold War.<sup>25</sup>

The scholarship on the Bolivian Revolution has immensely contributed to this thesis. James M. Malloy's *Bolivia: The Uncompleted Revolution*,<sup>26</sup> James Dunkerley's *Rebellion in the Veins: Political Struggle in Bolivia, 1952-82*,<sup>27</sup> and Herbert S. Klein's *Bolivia: The Evolution of a Multi-Ethnic Society*<sup>28</sup> investigate the revolution's origins as well as its contributions to the fabric of Bolivian society. The scholarship of the Bolivian Revolution generally includes analyses surrounding the US government's role and influence in the Paz government's actions following 1952. These analyses revolve around many individuals' disappointment with the Bolivian Revolution and the casting of blame upon US interference and limitations imposed upon Paz and Bolivian officials. Some important examples include *Beyond the Revolution: Bolivia since 1952*, edited by James M. Malloy and Richard S. Thorn,<sup>29</sup> with Cole Blasier's "The United States and the Revolution," *Modern-Day Bolivia: Legacy of the Revolution and Prospects for the Future*, edited by Jerry R. Ladman,<sup>30</sup> with Cornelius H. Zondag's "Bolivia's 1952 Revolution: Initial Impact and U.S. Involvement" and James W. Wilkie's "U.S. Foreign Policy and Economic Assistance

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<sup>25</sup>Princeton, NJ: Princeton UP, 1991. Many scholars pose caution when considering the interviews, for the interviews might overstate Arbenz's links to international communism which is an important feature of Gleijeses' work.

<sup>26</sup> Pittsburgh, PA: U of Pittsburgh P, 1970.

<sup>27</sup> London: Verso, 1984.

<sup>28</sup> 2<sup>nd</sup> ed. (New York, NY: Oxford UP, 1992).

<sup>29</sup> Pittsburgh, PA: U of Pittsburgh P, 1971.

<sup>30</sup> Tempe, AZ: Center for Latin American Studies, Arizona State U, 1982.

in Bolivia, 1948-1976,” and *Proclaiming Revolution: Bolivia in Comparative Perspective*, edited by Merilee Grindle and Pilar Domingo,<sup>31</sup> with Ken Lehman’s “Braked but not Broken: The United States and Revolutionaries in Mexico and Bolivia.” Other texts which have investigated the US government’s impact on Bolivia and the Bolivian Revolution include James W. Wilkie’s *The Bolivian Revolution and U.S. Aid since 1952: Financial Background and Context of Political Decisions*,<sup>32</sup> Cole Blasier’s “The United States, Germany, and the Bolivian Revolutionaries (1941-1946),”<sup>33</sup> G. Earl Sanders’s “The Quiet Experiment in American Diplomacy: An Interpretative Essay on United States Aid to the Bolivian Revolution,”<sup>34</sup> Kenneth D. Lehman’s *Bolivia and the United States: A Limited Partnership*,<sup>35</sup> Fredrick B. Pike’s *The United States and the Andean Republics: Peru, Bolivia, and Ecuador*,<sup>36</sup> as well as Victor Andrade’s *My Missions for Revolutionary Bolivia, 1944-1962*.<sup>37</sup>

The analysis of this thesis focuses on the Eisenhower Administration’s diverging approaches to the Arbenz government in Guatemala and the Paz government in Bolivia. It both derives from and seeks to contribute to the scholarship on US-Latin American relations and US responses to the Guatemalan and Bolivian Revolutions. Texts which have sought to explain the Eisenhower Administration’s

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<sup>31</sup> Cambridge, MA: Harvard UP, 2003.

<sup>32</sup> Los Angeles, CA: Latin American Center, U of California, Los Angeles, 1969.

<sup>33</sup> In *The Hispanic American Historical Review* 52.1 (Feb. 1972), 26-54.

<sup>34</sup> In *The Americas* 33.1 (July 1976), 25-49.

<sup>35</sup> Athens, GA: U of Georgia P, 1999.

<sup>36</sup> Cambridge, MA: Harvard UP, 1977.

<sup>37</sup> Pittsburgh, PA: U of Pittsburgh P, 1976.

differing approaches include Cole Blasier's *The Hovering Giant: U.S. Responses to Revolutionary Change in Latin America, 1910-1985*,<sup>38</sup> Bryce Wood's *The Dismantling of the Good Neighbor Policy*,<sup>39</sup> and Kenneth Lehman's "Revolutions and Attributions: Making Sense of Eisenhower Administration Policies in Bolivia and Guatemala."<sup>40</sup>

This thesis strives to complement these texts with its own analysis of the role of ideology in US foreign policy toward Latin America and the Eisenhower Administration's conception of an inter-American system. Blasier (1985) writes, "Familiarity with John Foster Dulles' personal and political objectives [is] essential to understanding the Guatemalan intervention of 1954. Dulles' policies toward Guatemala were in part a religious crusade against atheistic communism, in part an ideological struggle on behalf of free enterprise, and in part a political battle with Soviet expansionism." Blasier (1985) here articulates that an understanding of this influential US official's ideological sentiments is necessary for an understanding of the Guatemalan intervention, such as why Dulles and other US officials refused to believe that the Guatemalan government was not communist oriented.<sup>41</sup> US officials initially perceived that both the Arbenz government and the Paz government were communist influenced or oriented. US officials in the Eisenhower Administration witnessed two Latin American governments engage in agrarian reform, export-industry nationalization, and educational reforms. Furthermore, Blasier (1985)

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<sup>38</sup> 2<sup>nd</sup> ed. (Pittsburgh, PA: U of Pittsburgh P, 1985).

<sup>39</sup> Austin, TX: U of Texas P, 1985.

<sup>40</sup> In *Diplomatic History* 21.2 (Spring 1997), 185-213.

<sup>41</sup> Blasier (1985), 229.



explains that “United States policies promoted a relatively stable government in Bolivia friendly to the United States...” while the US pursued retroactive policies in Guatemala where “the Guatemalan revolutionaries would have welcomed compromise.”<sup>42</sup> This thesis argues that the differences in US responses to these two governments emerged in great part from the ideological predispositions of Eisenhower officials which determined how US policymakers interpreted both the ‘challenging’ and the ‘accommodating’ orientations, rhetoric, and actions of the two Latin American countries. This thesis argues that the inability of the Eisenhower Administration and the Arbenz government to reach a suitable ‘compromise’ resulted from US officials’ adherence to pater-Americanism and Guatemalan officials’ refusal to comply with US officials’ expectations.

This thesis also explores the ideological orientation of Eisenhower officials. Both Blasier (1985) and Wood (1985) highlight how the Dulles brothers and Eisenhower appeared to have been more active in US policy toward Guatemala while lower-level officials constructed US policy toward Bolivia.<sup>43</sup> Building upon these arguments, this thesis explores how these officials maneuvered within an overarching foreign policy ideology and within the same administration while pursuing individual agendas. Because US officials would interpret the actions and attitudes of Guatemalan and Bolivian officials within the framework of pater-Americanism, dissimilar responses to the two governments would emerge from the Eisenhower Administration.

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<sup>42</sup> Blasier (1985), 228.

<sup>43</sup> Blasier (1985), 224-6; Wood (1985), Chapter 9, especially 146-50.

In Martha L. Cottam's *Images & Intervention: U.S. Policies in Latin America*,<sup>44</sup> the author argues that US officials' and their construction of US foreign policy toward Latin America drew upon preconceived images of dependency. US officials expected Latin American countries to adhere and conform to US demands. In a brief discussion of the differing US responses to the Guatemalan and Bolivian governments, Cottam highlights how the Arbenz government's programs conflicted with US images of a dependent 'banana republic,' resulting in the US hostile reaction. On the other hand, US officials responded positively to the Paz government's eventual compliance with US demands and anticommunist policy. Cottam writes, "The power of the dependent image...produced a U.S. predisposition to act in a coercive manner...because nationalism was not a part of the dependent image."<sup>45</sup>

However, Cottam then writes that the cases of Guatemala and Bolivia "also demonstrate the extent to which an image can be divorced from political ideology. Images are not political formulas; they are organizing devices, shells without ideological content." Because Bolivian officials presented its leftist influences apart from communist infiltration, the Paz government received US support.<sup>46</sup> This thesis expands upon Cottam's arguments by exploring US ideology and how US responses to both nationalist, reformist governments actually fell within the overarching ideology of US policy toward Latin America. This thesis argues that, for Eisenhower officials, the dependent image described by Cottam rested firmly on pater-

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<sup>44</sup> Pittsburgh, PA: U of Pittsburgh P, 1994.

<sup>45</sup> Cottam, 53.

<sup>46</sup> Cottam, 53.

Americanism and a Latin American government's role in an inter-American system. The 'dependency' of Latin American governments expected by US officials during the Eisenhower Administration resulted from these officials' observance of pater-Americanism. This thesis thus provides further scholarship into the idea of 'dependency' with relation to US officials and Latin American governments in the ideology of US foreign policy.

This exploration into US responses to Guatemalan and Bolivian revolutionary governments also builds on Robert A. Pastor's *Not Condemned to Repetition: The United States and Nicaragua*.<sup>47</sup> In the text, Pastor analyzes the various stages and developments in US foreign policy toward Nicaragua as well as Cuba. Pastor's scholarship focuses upon how the US adhered to a status quo of Latin American compliance and non-revolutionary, even non-reformist, policies. US policymakers, while remaining fairly static in terms of their goals, maneuvered to retain the status quo, and US officials' hesitance to adapt to challenges to the status quo resulted in misunderstanding and hostility between the US and Latin American countries. This thesis' attempts to grasp Eisenhower officials' mentality and understanding of Latin America grows from such scholarship into US-Latin American relations. I argue that the inability of US officials, such as those of the Eisenhower Administration, to understand revolutionary change and self-governance in Latin America derives from US policymakers' adherence to pater-Americanism.

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<sup>47</sup> Boulder, CO: Westview, 2002.

Chapter Two describes pater-Americanism. US officials perceived Latin Americans as incapable of self-governance. US policymakers thus believed that they had a responsibility to ensure that Latin American countries would follow a path of modernity and progress in line with the US model of governance. Building upon these perceptions, US officials organized the Latin American countries as a hemispheric bloc to deter the 'invasion' of extra-hemispheric threats, such as fascism and communism. US policymakers assumed that Latin American countries would appreciate and benefit from US assistance and trade as the US sought to lead Latin America during the Cold War.

Chapter Three details the Eisenhower Administration's construction of its foreign policy toward Latin America at the onset of the Cold War. The Eisenhower Administration sought to strengthen the coalition of countries opposed to the advance of the Soviet Union and international communism. As Eisenhower officials discussed the Latin American countries, their objectives remained entrenched in pater-Americanism. US policymakers would thus implement a policy toward Latin America designed to revitalize the benefits of hemispheric solidarity, resources, and increased trade.

Chapter Four explores the history of US officials' perceptions of the Guatemalan Revolution between 1944 and 1951. The initial leaders of the Guatemalan Revolution maneuvered to placate US officials' expectations of the banana republic's orientation. Under the leadership of Juan José Arévalo, the country took its first steps toward establishing a government that stepped outside the

boundaries of Latin American governance set by US policymakers. These first breaches against pater-Americanism would influence the policies implemented by the Eisenhower Administration.

Chapter Five argues that the Eisenhower Administration interpreted the Guatemalan government under Jacobo Arbenz Guzmán as deviating from its US-approved role within pater-Americanism. Eisenhower officials expected the Arbenz government to realize its set responsibilities to the Western Hemisphere. These responsibilities entailed removing communist agents and providing a safe environment for private investment. When US officials expressed their concerns to the Arbenz government, Guatemalan officials refused to capitulate. The Arbenz government sought to determine its own vision of governance without conforming to pater-Americanism. Eisenhower officials, therefore, distinguished the Arbenz government as a threat to an inter-American system and US hegemony in the Western Hemisphere.

Chapter Six introduces the *Movimiento Nacionalista Revolucionario* (MNR) and its emergence as a challenge to US officials and the inter-American system. From 1941 to 1951, the MNR and its leadership would grapple with various conflicts with US officials. Originating as a voice defying Bolivian compensation to Standard Oil and as a proponent of fascism, the MNR would quickly face external pressure from US officials. The MNR leadership would utilize these experiences with the US government when the Bolivian Revolution began.

Chapter Seven contends that the Eisenhower Administration's assistance to the Bolivian Revolution and the Paz government resulted from the MNR leadership's manipulation of pater-Americanism. Upon seizing power, the Paz government espoused the principles of hemispheric solidarity and private investments. Such rhetoric adhered to the expectations of US officials under pater-Americanism. Those officials who interpreted the Arbenz government as operating outside the confines of an inter-American system would judge the Paz government as a suitable Latin American government. The Eisenhower Administration's decision to support the Paz government rested how the Paz government maneuvered within pater-Americanism.

## Chapter 2

### Foundations for a 'New' Policy: Pater-Americanism

The Eisenhower Administration and its officials would bring Latin America into US Cold War policy in 1953 and 1954, but their labors built upon an ideology of US foreign policy toward Latin America. From Independence to World War II, US officials would incorporate ideas of superiority and paternalism into US foreign policy toward Latin America, providing the foundation for pater-Americanism. When Eisenhower officials sought to reinvigorate the inter-American system of World War II, these US policymakers drew upon a history of US-Latin American relations and the ideals defining pater-Americanism.

The American Revolution represented for US officials the origins of their country's 'great' destiny to develop along a path apart from that of the European powers and the Old World. By the 20<sup>th</sup> Century, US officials had instilled important tenets of national greatness into US foreign policy and their perceptions of Latin American countries. In the face of foreign powers and Old World crusades, US officials argued that their country had a responsibility to protect the New World from the malicious influence of extra-hemispheric powers. US officials articulated policies founded in a belief in the righteousness of US foreign policy to represent and expand liberty in the Western Hemisphere.<sup>48</sup>

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<sup>48</sup> See Hunt, 19-45, for a detailed narrative of how the idea of 'national greatness' impacted US foreign policy ideology and how US officials merged an aggressive foreign policy with a natural belief in liberty and freedom, such as how US officials justified the territorial expansion which seized almost half of Mexico.

US foreign policy toward Latin America would center upon this ‘vision of national greatness’ as well as a belief in the racial supremacy of US civilization. From their first arrival in the United States to the pursuit of territorial expansion, American men justified their domination over the ‘lesser,’ ‘uncivilized’ races and their expansion westward upon “the unquestionable superiority of civilization and its total rights not only over nature but also over such slaves of nature [such] as women, Indians, and also blacks.”<sup>49</sup> Americans would demean Latin Americans by invoking the same characteristics that justified American expansionism over Native Americans. These races, according to many Americans, suffered from their inability to conquer nature as well as their refusal to embrace science, rationality, and civilization. Well into the twentieth century, US officials continued to believe that American racial superiority over Latin Americans was a legitimate justification for US hegemony in the Americas.<sup>50</sup>

US foreign policy toward Latin America in the twentieth century would build upon Americans’ differentiation between their ‘civilized’ revolution and Latin America’s ‘uncontrolled’ wars of independence. Beginning with the Haitian Revolution in 1791, the US witnessed Latin American revolutions and independence movements with fear and contempt. From their observance of the Haitians’ massacre of French slaveowners to the betrayals of Latin American independence heroes to the

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<sup>49</sup> Pike (1992), 6.

<sup>50</sup> Hunt, 58-62. Pike (1992), 3-153, provides a comprehensive discussion of how the idea of uncontrolled nature and race impacted the settlement of the US, how Americans linked stereotypes of Latin Americans to their failures in ‘conquering’ nature, and how Americans justified territorial expansion and the acquisition of Latin American lands within a vision of national greatness and the spread of liberty to peoples unfit to govern themselves and achieve ‘proper’ civilization.



resulting despotism in the region, US officials concluded that Latin Americans were ill-equipped for self-governance.<sup>51</sup>

The Monroe Doctrine and the Roosevelt Corollary were the basis for an emerging foreign policy ideology founded on US national greatness and racial superiority. In 1823, President James Monroe stated in his annual message that the newly independent Latin American countries were no longer European subjects and that the European powers had no authority to intervene in the Western Hemisphere. Voicing the sentiments of many US officials, Monroe explained that the American New World was far too different from the European Old World. US officials criticized Europe for trying to influence the New World, and they constructed one of the first policies to place the US as a guardian over the Western Hemisphere.<sup>52</sup> US imperialism in the Caribbean at the end of the nineteenth century frequently intersected with a more aggressive application of the Monroe Doctrine. During his administration between 1901 and 1909, President Theodore Roosevelt built upon the Monroe Doctrine in declaring that the US had a right to intervene in Latin America. The Roosevelt Corollary epitomized many US officials' sentiments on US foreign policy toward Latin America; it was the responsibility of the US to ensure that 'internecine conflicts' in Latin America would not disrupt growing trade and US

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<sup>51</sup> Pike (1992), 61-70; Hunt, 100-2.

<sup>52</sup> Consider how US officials' willingness to recognize the emerging Latin American countries between 1821 and 1824 resulted from US officials' desire to promote trade and undermine European influence in the region (Hunt, 101).

investments in the region and to protect the region's peoples from their own misfortunes.<sup>53</sup>

The inter-American system of World War II grew from the Good Neighbor Policy. President Franklin Delano Roosevelt (FDR) and his administration initially faced great criticism from Latin American countries due to US imperialism in the region. Many US officials equated declining US influence in the region with this growing discontent. FDR feared that such divisions would prevent Latin American countries from adhering to a US-championed vision of capitalist modernity. FDR renounced US interventionism, revoked the Platt Amendment in Cuba, and made personal visits to Latin America. He set the Good Neighbor Policy in motion and provided a positive spin to US foreign policy toward Latin America.<sup>54</sup>

The inter-American system materialized from US officials' work under the Good Neighbor Policy. Seizing upon Latin American officials' appreciation of the Good Neighbor Policy, US policymakers constructed "an effective juridical network of collective security arrangements, peacemaking machinery, liberal trade arrangements and cultural exchanges to infuse new life into the inter-American system."<sup>55</sup> The inter-American system encouraged Latin American governments to seek out private investment to develop their economies. Making their countries'

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<sup>53</sup> Gaddis Smith, *The Last Years of the Monroe Doctrine: 1945-1993* (New York, NY: Hill/Wang, 1994), 21-6; Pike (1992), 172-4; Hunt, 130-3.

<sup>54</sup> Pike (1995) provides one of the most comprehensive discussions of how foreign policy ideology, such as a belief in national greatness and American capitalism, formed the Good Neighbor Policy, and Wood (1967) meticulously describes how US policymakers constructed and implemented its ideals.

<sup>55</sup> Henry Raymont, *Troubled Neighbors: The Story of US-Latin American Relations from FDR to the Present* (Boulder, CO: Westview, 2005), 29.

resources available to foreign investors, Latin American governments would pave the way for the progress and modernity represented by US capitalism. Latin American governments also entered into mutual security arrangements with the US and came together with the US on the international stage. In return for this hemispheric solidarity and the investment opportunities for US business, the US government promised to defend the region from any extra-hemispheric threats and encourage its citizens to invest in Latin America.

World War II typified the ideals of the inter-American system. The US and Latin American countries displayed hemispheric solidarity against European fascism. Brazilian and Mexican soldiers stood alongside US troops, and the US deployed military advisors to establish bases in Latin America.<sup>56</sup> For the US, Latin America's strategic importance derived from the need for the US to secure transportation channels, such as the Caribbean, to obtain indispensable resources from the region. In return for their support of US programs, Latin American countries received significant economic assistance. This assistance included increased trade between the US and the Latin American countries. Other aid came in the form of Lend-Lease programs and protection from the invasion of European fascism.<sup>57</sup> The inter-American system provided invaluable aid to the Allies' war efforts and would remain

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<sup>56</sup> Alan McPherson, *Intimate Ties, Bitter Struggles: The United States and Latin America Since 1945* (Washington, D.C.: Potomac, 2006), 13; Martin Sicker, *The Geopolitics of Security in the Americas: Hemispheric Denial from Monroe to Clinton* (Westport, CT: Praeger, 2002), 99-100, 102-3. While advisors were sent in 1940, the bombing of Pearl Harbor led to the establishment of US bases after 1941.

<sup>57</sup> Lend-Lease aid provided wartime aid and economic assistance to other countries in return for wartime solidarity and the establishment of US military bases.

indispensable to US foreign policy officials' conception of US-Latin American relations in later years.

The inter-American system represented more than a system of security and trade agreements; it was entrenched in pater-Americanism, the ideology of US foreign policy toward Latin America. Building upon the ideology of US foreign policy toward Latin America, US policymakers continued to insist that their country had a responsibility to protect Latin America and ensure the region's progress. In constructing the 'network of agreements' between the US and Latin American countries, US officials sought to bind the region to the US and to guarantee US preeminence in the Western Hemisphere. US economic aid would guide Latin America along a path of liberal economic development. US military assistance would defend the region against any international threats to growing US hegemony and the hemisphere's pursuit of a vision of 'capitalist modernity.' Increased trade would tie the future of Latin America to the US. This ideology behind the inter-American system, pater-Americanism, served to reinforce US officials' long-standing assumptions of US national greatness and racial superiority. US officials believed it was their responsibility to lift up its southern neighbors as long as those neighbors recognized the US role as their guardian.

With the end of World War II, the Truman Administration developed the policy of containment that sought to limit the expansion of the Soviet Union. US officials feared that the USSR offered an alternative form of progress and modernity that challenged the rising preeminence of the US. US policymakers argued that,

without positioning itself against the influence of the USSR and the spread of international communism, the ‘American’ way of life and the country’s freedoms would be destroyed. As a result, US officials asserted that the Third World, including Latin America, would have to stand against the USSR and alongside the US.<sup>58</sup> For foreign policy experts, such as the ‘founder’ of containment theory, George Kennan, the Cold War was focused on US efforts to generate alliances and limit communist influence.<sup>59</sup> With the US and the USSR holding divergent interests with regard to security, geopolitics, and progress, the US characterized the USSR and international communism as threats to its national security and international development.<sup>60</sup>

In order to construct this balance of power, US policymakers emphasized alliances with countries that would support the US view. Policy officials posited that the US struggle against Soviet expansionism rested upon a multilateral framework resembling the Allies’ efforts during World War II.<sup>61</sup> Similar to US efforts during

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<sup>58</sup> See Westad for a more thorough discussion of the ideological elements defining the conflict of modernity and progress between the US and the USSR in the Cold War as well as a comprehensive history of US and USSR foreign policy toward the Third World during the Cold War.

<sup>59</sup> Westad defines, “‘Cold War’ means the period in which the global conflict between the United States and the Soviet Union dominated international affairs, roughly between 1945 and 1991” (3). When discussing Kennan and the construction of US foreign policy toward Latin America, many scholars, such as Smith, have invoked the Kennan Corollary to describe how Kennan and many other officials viewed Latin America as a region incapable of governing and defending itself in the Cold War (66-74), but other scholars, such as Gaddis (2005), emphasize that US officials already valued and implemented covert operations and supported friendly dictatorships without the subsequent reiteration of these policies found in Kennan’s brief memorandum (177, 352). Nevertheless, the Kennan Corollary can be utilized to provide an insight into how US policymakers would justify their later actions throughout Latin America during the Cold War.

<sup>60</sup> Gaddis (2005), 35, 55-6.

<sup>61</sup> John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (New York, NY: Oxford UP, 2005), 25. Gaddis (2005) also notes how US officials were “[painfully] – perhaps excessively – aware of limited...resources” (25); such sentiments would influence how US officials would target Latin America as a source of materials which would prove invaluable in the outbreak of international war.

World War II, containment recognized the importance of populations, natural resources, and peripheral countries as tools to combat subversive international threats, the USSR and international communism.<sup>62</sup>

In order to address these challenges in late 1950, the Truman Administration constructed NSC-68.<sup>63</sup> NSC-68 was developed in 1950 in order to determine how to incorporate containment into US foreign policy. Due to the international challenges as well as domestic dilemmas concerning the adaptability and applicability of containment, NSC-68 sought to “systematize containment, and to find the means to make it work.”<sup>64</sup> The authors of NSC-68 articulated that the responsibility of the US was to deter Soviet aggression and expansion, ensuring that containment would remain the priority in US foreign policy. In its declaration of Soviet intentions to spread communism into the Third World, NSC-68 reflected US officials’ growing concern that Latin American countries might deviate from their prescribed role within US policy.<sup>65</sup> As Latin America entered into the framework of foreign policy for the Cold War, those US officials responsible for implementing policies of containment familiarized themselves with the value of containment in the crusade against international communism, yet these officials shared little knowledge of or experience

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<sup>62</sup> Hunt, 152-3.

<sup>63</sup> ‘NSC’ refers to the National Security Council whereas ‘NSC-#’ refers to a policy paper produced from the NSC.

<sup>64</sup> Gaddis (1982), 87-8. See Gaddis (1982), 87-124, for a detailed discussion of the development of NSC-68.

<sup>65</sup> Smith, 66-7.

in Latin America.<sup>66</sup> Experts on Europe, Asia, and the Middle East, these officials projected these experiences to make conclusions about Latin America. They decided that international communism threatened the world and now Latin America.<sup>67</sup>

As the ideology of anti-communism further dominated US foreign policy toward Latin America, Truman policymakers turned to the inter-American system of World War II.<sup>68</sup> US policymakers believed that Latin American countries would fulfill their prescribed functions in US foreign policy. To combat global communism, such as the threat that would later face South Korea, these officials expected that Latin American countries would contribute to US-led actions and UN forces. The Truman Administration's emphasis upon military strength and hemispheric solidarity between the US and the Latin American countries is best represented in the Inter-American Treaty of Reciprocal Assistance of 1947.<sup>69</sup> The Rio Treaty called upon the US and the Latin American countries to come together as a single bloc to defend against external aggression.

These Latin American countries, however, did not provide the expected assistance. Under the inter-American system of World War II, the Latin American countries had provided invaluable resources and support to the US. With communism looming over war-ravaged Eastern Europe, the US had issued the

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<sup>66</sup> Thomas M. Leonard, "The New Pan-Americanism in U.S.-Central American Relations, 1933-1954," *Beyond the Ideal: Pan Americanism in Inter-American Affairs*, ed. David Sheinin (Westport, CT: Praeger, 2000), 106-7; Smith, 66-7.

<sup>67</sup> Smith, 66-7; McPherson, 23.

<sup>68</sup> Schoultz, 335.

<sup>69</sup> See Gaddis (1982), 53-124, for analysis of the Truman Administration's focus upon military strength and resources.

Marshall Plan and its unprecedented financial assistance in order to strengthen the region.<sup>70</sup> With US officials' allocation of these resources to those countries that had stood against the US during World War II, Latin American countries expected that their participation within the inter-American system would merit similar assistance. US officials, however, promoted military and fiscal solutions without offering financial assistance for Latin American solidarity with the US. The architect of the Marshall Plan, George Marshall, expressed his belief in 1948 that the Latin American countries would achieve stability and prosperity through private investment.<sup>71</sup>

In response, many Latin American countries criticized the failure of the US to realize its promises. Having served as allies to the US during World War II, Latin American countries expected reciprocation on the part of US policymakers.<sup>72</sup> As a result, many Latin American countries questioned the purpose of the inter-American system. Latin American countries determined that, if the US were unwilling to realize its own responsibilities to the inter-American system, their governments no longer needed to remain unquestionable followers of US policy. These countries not only questioned the inter-American system but also defied pater-Americanism.

As the Truman Administration departed, US officials' considerations of Latin America remained set in Cold War strategy and pater-Americanism. Such perceptions were expressed in NSC-141 in 1952. The "intellectual last will and testament in this area of security policy of the Truman Administration to the

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<sup>70</sup> Gaddis (2005), 52.

<sup>71</sup> Schoultz, 332-3.

<sup>72</sup> Raymont, 85.



Eisenhower Administration,” Truman policymakers highlighted the region’s importance and hinted at the loss of inter-American solidarity:

In Latin America we seek first and foremost an orderly political and economic development which will make the Latin American nations resistant to the internal growth of communism and to Soviet political warfare...Secondly, we seek hemisphere solidarity in support of our world policy and the cooperation of the Latin American nations in safeguarding the hemisphere through individual and collective defense measures against external aggression and internal subversion.<sup>73</sup>

In spite of Latin American officials’ criticism of US foreign policy and international agreements to unite the Western Hemisphere, US policymakers adamantly insisted that Latin America as a hemispheric bloc must stand alongside the US in the ideological conflict for the hearts and minds of the Third World.<sup>74</sup>

Eisenhower officials would afterwards seek to realize the efforts of Truman officials and bring Latin America and the inter-American system into the Cold War.<sup>75</sup>

The Eisenhower Administration’s pursuit of a ‘new’ US foreign policy toward Latin America would build upon both the Truman Administration’s endeavors toward a unified Cold War foreign policy and the ideology of US foreign policy toward the region, pan-Americanism.

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<sup>73</sup> Immerman (1982), 11.

<sup>74</sup> Domínguez, 38; Hunt, 160-1.

<sup>75</sup> Immerman (1982) writes that, “NSC-141 might have been Truman’s ‘last will and testament’ to Eisenhower, but plainly the new president believed that it needed serious revisions” (13).

### Chapter 3

#### Missing the Inter-American System: The Eisenhower Administration and Pater-Americanism

Upon assuming office, President Dwight D. Eisenhower and his administration sought to implement a new Latin American policy. The goal of the Eisenhower Administration would be to develop this policy within the framework of the Cold War, that is the ideological struggle between the United States and the Soviet Union, between the champion of democracy and the model of communism. Such a global contest necessitated that Eisenhower officials devise policies which would incorporate Latin America and US-Latin American relations into this international struggle.

Into the early 1950s, the US foreign policy of containing any international communist threat placed greater emphasis upon Latin America, a region which 'suffered' from economic difficulties and nationalist sentiments according to the analyses of US policymakers. As the Eisenhower Administration recognized an apparent withdrawal of many countries from the inter-American system, US policymakers sought to stimulate the reemergence of the more positive Pan-American arrangement. The concerns, as well as the solutions, presented by Eisenhower officials demonstrate how these policymakers sought to bring the paternalism and hemispheric solidarity of pater-Americanism and afforded by the inter-American system of World War II into emerging policies of containment and development for the Cold War.

The Eisenhower Administration's formulation of policy toward Latin America would center upon this ideological struggle. US officials claimed that the true power and strategy of the Soviet Union and international communism did not derive from military force. Soviet expansionism drew its strength from:

Political and economic pressure, diplomatic action in the UN and elsewhere, propaganda and front activities, the actions of communist parties and communist-party-controlled trade unions outside the [Soviet] bloc, sabotage, exploitation of subversive and revolutionary movements and of civil wars, and psychological warfare.<sup>76</sup>

For Eisenhower officials, these tactics posed the greatest challenge to US influence in developing countries and the Third World, including Latin America. In their view, the Soviet Union and international communism would exploit the weaknesses of nationalism and neutralism characterizing developments in many Latin American countries. The intersection of weak governments, Communist organizations, and poverty would provide inroads for international communism in its ideological challenge to the US.<sup>77</sup>

During his campaign for the Presidency, Eisenhower discussed the importance of Latin America and placed blame upon the Truman Administration for having lost the support of Latin American countries for the inter-American system. Eisenhower claimed that the years between 1933 and 1945 were the apex of US-Latin American relations. Eisenhower castigated the Truman Administration in its relations with Latin American following World War II. Invaluable allies to the United States and instrumental to the Allied war efforts, Latin American countries received little

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<sup>76</sup> Bowie & Immerman, 154.

<sup>77</sup> Bowie & Immerman, 154-5. Rabe, 32, touches upon how the Eisenhower Administration assessed the nationalist policies and reformist promises of numerous Latin American leaders, from Arbenz in Guatemala to Figueres in Costa Rica to Gaitán in Columbia, as opportunities for communism.

assistance or reciprocity for their contributions. Eisenhower regretted that the Truman Administration destroyed the legacy of the Good Neighbor Policy and turned US-Latin American relations into “a poor neighbor policy.” Eisenhower further argued that this “poor neighbor policy” led to the rise of nationalism and neutralism, opportunities that could be easily exploited by communists in Latin America. Eisenhower promised the reincorporation of the principles of the Good Neighbor Policy into his administration’s policy toward Latin America, although his campaign never touched upon how this would be accomplished.<sup>78</sup>

National security dictated that the Eisenhower Administration address the needs of Latin American countries in order to combat the appeal of international communism. As these countries demanded economic progress and social betterment, the US had to persuade Latin American countries to steer away from the Soviet Union’s example. US officials triumphed liberal trade and private investment as the solutions to underdevelopment. The conservative allocation of military, technical, and economic assistance was intended to undermine the viability of communism for Latin America.<sup>79</sup> The Eisenhower Administration’s construction of US-Latin American relations initially centered upon such ideas. Eisenhower wrote in 1953, “Unless the free world espouses and sustains, under the leadership of America, a system of world trade that will allow backward people to make a decent living – even if only a minimal one measured by American standards – then in the long run we

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<sup>78</sup> Rabe, 6. Of course, the Eisenhower Administration already believed that communists had taken advantage of the deterioration of US-Latin American relations with respect to Guatemala.

<sup>79</sup> Bowie & Immerman, 214.

must fall prey to the Communist attack.”<sup>80</sup> Such a statement sheds light upon what became three central tenets of the Eisenhower Administration’s foreign policy toward Latin America. First, US officials must ensure that liberal trade between the US and its allies would bring prosperity to Latin American countries and thus serve as a deterrent to the expansion of communism. Second, the developing world and its ‘backward people’ needed to follow the US example of a developed world and ‘modern people.’ Third, and most importantly, the United States carried the responsibility to stand as the champion of democracy, capitalism, and modernity.

The loss of the inter-American system and the need to ‘win back’ Latin America on the US side were manifest in National Security Council’s (NSC) planning meetings and policy documents.<sup>81</sup> The urgency of implementing a new policy toward Latin America was highlighted on July 2<sup>nd</sup>, 1953 as the NSC discussed the situation in Korea. The Eisenhower Administration’s discussion revolved around the Korean War and the expansion of international communism. During this NSC Meeting, the officials contemplated an end to the Korean War and the ongoing costs. Of these costs, the deployment of troops and resources faced intense criticism as the war progressed. Colombia had offered to send a second group of troops to Korea, provided that the US would fulfill its offer to pay for the troops, and the offer came

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<sup>80</sup> Kaufman, 16.

<sup>81</sup> Bowie & Immerman, 88-9, stresses the value of analyzing the NSC papers and objectives in order to understand the Eisenhower Administration’s policies. For Eisenhower, the National Security Council served to facilitate the development and implementation of national security strategies Eisenhower sought, through the combination of delegation and NSC guidance, to disseminate his goals and objectives. As a result, NSC policy documents provide invaluable insights into the formulation of the Eisenhower Administration’s policy toward Latin America.

under the scrutiny of one official. The official questioned why the US would consider the reimbursement of the expenses for another country's deployment of additional troops to Korea. A second official responded that this reimbursement policy served not only "to lessen the burden on the manpower of the United States" but "to enhance the sense of collective responsibility" among the participating countries. The first official remarked that he understood the purpose of the policy. However, this official then questioned why only one Latin American country, Colombia, "actually sent troops to Korea."<sup>82</sup> The US stood as the leader in an international war in order to deter the advancement of international communism. This Eisenhower official demanded that the Administration construct a more innovative foreign policy toward Latin America, for the Latin American countries were no longer standing alongside the US as they had done during World War II.

It is within these documents, within these discussions of relations with Latin America, that the Eisenhower Administration's understanding of the principles of US-Latin American relations appears. As the Eisenhower Administration sought to address the loss of the support of Latin American countries for US foreign policy, Latin America's value and utility for the US foreign policy was framed in terms of the region's resources and hope for the hemispheric solidarity provided in the inter-American system of World War II.

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<sup>82</sup> NSC memorandum of the 152<sup>nd</sup> Meeting of the National Security Council, Thursday, July 2, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: NSC Series," Box 4.

Eisenhower officials voiced the need to allocate US aid to Latin America, and their justification depended upon Latin America's value as a source of raw materials. As policymakers sought to construct a balanced budget and optimize the distribution of aid, policymakers asserted that aid to Latin America was the means to ensure US access to raw resources. During an NSC meeting, an official argued that aid not utilized in Europe "should be used...in Latin America, where U.S. access to the sources of raw materials was very important."<sup>83</sup> At another NSC meeting, policymakers highlighted how reduced aid for Latin America would undermine the region's "ability and willingness to make available strategic and critical materials needed by the United States."<sup>84</sup>

The debates between Eisenhower officials on aid to Latin America reflect the evolution of a Cold War policy toward Latin America. Many Eisenhower officials challenged the efficiency and utility of the Export-Import Bank's allocating long-term lending to Latin America. As explained by officials such as Secretary of the Treasury George Humphrey, these individuals believed that Latin America needed to turn to the World Bank for long-term loans. Since the loans from the Export-Import Bank came from the Treasury's resources, Humphrey and some other Eisenhower officials sought to limit or even cut such aid in order to reduce spending. In 1953, the Eisenhower Administration froze long-term lending. Loans to Latin America

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<sup>83</sup> NSC memorandum of the 157<sup>th</sup> Meeting of the National Security Council, Thursday, July 31, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: NSC Series," Box 4.

<sup>84</sup> Discussion outline of the meeting of the National Security Council and NSC Civilian Consultants, Tuesday, March 31, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: NSC Series," Box 4.

dropped from \$147 million in 1952 to \$7.6 million in 1953. Latin America responded negatively to such reductions and felt that such action further betrayed their efforts during World War II. Fearing that this action curtailed hemispheric support in the struggle against communism and its advocates, Eisenhower allowed Dulles to reinstate long-term lending to Latin America from the Export-Import Bank that same year.<sup>85</sup>

The Eisenhower Administration also expected Latin American countries to stand by the side of the US during the Cold War in a show of Pan-Americanism and hemispheric solidarity. Throughout discussions touching upon Latin American countries' seeming withdrawal from the inter-American system, US officials stressed the importance of these countries' support at international events. In considering the ramifications of decreasing aid to Latin America, policymakers emphasized inter-American solidarity. An official noted that any reduction in aid to the region would "weaken hemisphere solidarity and prejudice the cooperative role of the Latin American countries in hemisphere defense [and] their support of our policies in UN."<sup>86</sup> The Eisenhower Administration debated the destabilization of the Latin American 'bloc' while considering the resulting expansion of the Soviet 'bloc.' US officials' call for a review of US policy sought to prevent the loss of the inter-American system. However, the Eisenhower Administration's desire for an inter-

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<sup>85</sup> Kaufman, 32. Again, Dulles and Eisenhower feared that the true advocate of communism in Latin America in 1953 was Guatemala, and the reduction of long-term lending to Latin America from the US would help any communist proponents, i.e. the Arbenz government in Guatemala.

<sup>86</sup> Discussion outline of the meeting of the National Security Council and NSC Civilian Consultants, Tuesday, March 31, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: NSC Series," Box 4.



American system for the Cold War merely reflected these officials' hopes for the inter-American system of World War II, for raw resources and hemispheric solidarity in the struggle against an international threat against US ideology.

Due to the seeming disintegration of the inter-American system, the Eisenhower Administration sought a new policy toward Latin America that would restore the inter-American system from World War II and further inter-American principles. In their search, these officials believed that a new policy toward Latin America would incorporate not only containment but also development. As discussed earlier, the Eisenhower Administration's national security policy entailed efforts "to build up the strength of the free world...to contain Soviet expansion and deter the Soviets from war..." Such rhetoric derived from the policies of containment and NSC-68 emerging from the Truman Administration and centered upon US foreign policy ideology. The "free world" and its people belonged at the side of the US.

Moreover, one uncovers how the development of this 'new' policy reflected the ideas of development for Latin America that would define the foreign policies of later administrations. The national security policy continued to argue that any program for Latin America would necessitate "mutual security funds (by defense support, military aid, and economic aid)...to help the free nations to build positions of strength with indigenous forces in...Latin America."<sup>87</sup> In order to address the challenges posed by and facing Latin America (the sentiments of 'economic

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<sup>87</sup> Discussion outline of the meeting of the National Security Council and NSC Civilian Consultants, Tuesday, March 31, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: NSC Series," Box 4. Original emphasis.

nationalism, regionalism, neutralism, and increasing Communist influence' noted by Dulles), the Eisenhower Administration looked toward developing these countries. As described in a memorandum written to President Eisenhower, Latin America suffered from "economic maladjustments" linked to the region's history. To remedy these 'maladjustments,' the US needed to provide "'loans ...for development.'"<sup>88</sup> As the concerns of Eisenhower officials demonstrate, the US government developed relationships to combat the international communist threat and to develop these countries as formidable allies, allies that resembled the ideals of modernity and progress represented by the US. Since these countries and their peoples were incapable of providing the necessary defense against international communism and to refute its appeal, the US felt it must implement policies to 'guide' these countries along the right path.

The appeal of development policies toward Latin America rested firmly on the notions of paternalism held by US policymakers. Development would serve as a solution for many within the Eisenhower Administration due to a belief that Latin Americans had failed to follow the correct path of progress paved by US citizens. In a conversation between John Foster Dulles and Humphrey, Humphrey explained how US policies toward Latin America must encourage "South Americans to handle their affairs better."<sup>89</sup>

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<sup>88</sup> Memorandum from Bradshaw Mintener to President Dwight D. Eisenhower on "Friendship and Cooperation in the Western Hemisphere," November 19, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: DDE Diary Series," Box 3.

<sup>89</sup> Telephone conversation between Secretary of State John Foster Dulles and Secretary of the Treasury George Humphrey, Wednesday, June 24, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: Dulles-Herter Series," Box 1.

Paternalism would even impact officials' fears that Latin Americans would not respond positively to the opportunities offered by the US. One Eisenhower official touched upon how development was "difficult to implement because 'development' requires disciplines not readily acceptable..." by Latin American countries.<sup>90</sup> Whether hoping for the success of development or assuming the eventual failure of the idea, the Eisenhower Administration's search for a new policy toward Latin America would ultimately rest upon the same paternalistic sentiments characterizing previous US administrations' relationships with Latin America.

Paternalistic attitudes toward Latin Americans shared by US policymakers emerge in the policy ideas offered by Eisenhower and Secretary of State John Foster Dulles. While Dulles discussed the dangers facing US-Latin American relations, President Eisenhower deliberated over cost-effective solutions such as the exchange of "notable Americans [such as] university professors [and] exchange lecturers."<sup>91</sup> Upon discussing the 'notable Americans' qualified for such an expedition, President Eisenhower pondered the utility of sending his brother Dr. Milton Eisenhower to Latin America.<sup>92</sup> For Foster Dulles, such a selection would serve the Eisenhower Administration's purposes perfectly. Not only would Dr. Eisenhower serve as a

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<sup>90</sup> Memorandum from Bradshaw Mintener to President Dwight D. Eisenhower on "Friendship and Cooperation in the Western Hemisphere," November 19, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: DDE Diary Series," Box 3.

<sup>91</sup> NSC memorandum of the 132<sup>nd</sup> Meeting of the National Security Council, Wednesday, February 19, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: NSC Series," Box 4.

<sup>92</sup> See Stephen E. Ambrose and Richard H. Immerman, *Milton S. Eisenhower: Educational Statesman* (Baltimore, MD: John Hopkins UP, 1983), for a more thorough discussion of Dr. Eisenhower's relationship to President Eisenhower, and see Lehman (1997) for narrative on how Dr. Eisenhower influenced President Eisenhower and the developing policy toward Latin America, especially p. 208.

suitable representative of the country, but Foster Dulles “thought that was a very good way of doing things – in South America that was the way they should be done...you have to pat them a little bit and make them think you are fond of them.”<sup>93</sup> As the Eisenhower Administration sought to retain the benefits of the inter-American system, the explanations and solutions retained the paternalism inherent in that relationship and pater-Americanism.

In his “Report to the President on United States-Latin American Relations,” Dr. Eisenhower and his solution to the problems facing Latin America remained entrenched pater-American principles of paternalism and US superiority.<sup>94</sup> Throughout the report, he reflects the Eisenhower Administration’s perception of Latin America primarily with regard to the benefits of the inter-American system. From resources to defense to hemispheric solidarity, Dr. Eisenhower valued Latin America for its holistic benefits. Of these benefits, Dr. Eisenhower takes great pains to emphasize the inter-American system. After stating that the “inter-American system preceded the United Nations,” he explains how Latin America provides “influence at the United Nations in support of freedom, peace, international justice, and effective processes...in the difficult construction of a better world.”<sup>95</sup>

Dr. Eisenhower’s appeal for economic aid to Latin America linked economic development to social development, but this economic development depended upon

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<sup>93</sup> Memorandum of telephone conversation between President Eisenhower and Secretary of State John Foster Dulles, February 26, 1953, Dwight David Eisenhower Library, Abilene, Kansas, “Papers as President of the United States: Dulles-Herter Series,” Box 1.

<sup>94</sup> “Report to the President: United States-Latin American Relations,” Submitted draft, November 18, 1953, Dwight David Eisenhower Library, Abilene, Kansas, “Milton S. Eisenhower Papers,” Box 4.

<sup>95</sup> “Report to the President: United States-Latin American Relations,” 7.

US guidance. Lehman (1997) succinctly explains the logic of Dr. Eisenhower's ideology, "Without fiscal responsibility consistent with the underlying logic and principles that made free market capitalism so efficient and effective an economic system, there could be no real or lasting social change."<sup>96</sup> 'Proper' economic assistance, then, would prepare Latin America to thwart the invasion of international communism. Of course, US officials would serve as the driving force behind this battle and guide the Latin American countries toward modernity.

The desire of Dr. Eisenhower to construct a new policy toward Latin America would provide the foundation for US policy toward the region throughout the Cold War. Dr. Eisenhower and US officials envisioned solutions that "could change growing hemisphere dissidence into a concentration on 'development' that would leave no time and less desire for 'isms.'"<sup>97</sup> The process of constructing policies of containment supplemented with policies of development, such as the actions of Kennedy Administration and its Alliance for Progress, would target not only the immediate threat of international communism but celebrate how Latin America would ultimately share the progress and modernity enjoyed by the US and oppose any challenge to hemispheric solidarity.

The Eisenhower Administration's policy toward Latin America provided solutions to push the inter-American system and the corresponding Latin American countries (and their holistic benefits) of World War II into the Cold War and the

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<sup>96</sup> 205.

<sup>97</sup> Memorandum from Bradshaw Mintener to President Dwight D. Eisenhower on "Friendship and Cooperation in the Western Hemisphere," November 19, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: DDE Diary Series," Box 3.

ideological struggle between the United States and the Soviet Union. However, the Eisenhower Administration also began to consider responses to any country that did not fall within this framework.

In an NSC meeting on February 19, 1953, Allen Dulles described Latin America as facing “economic nationalism, regionalism, neutralism, and increasing Communist influence” due in great part to recent economic difficulties.<sup>98</sup> As stated earlier, such threats were not new in the analyses of US officials. US foreign policy toward Latin America was characterized by the absence of attention to Latin America as the region faced economic difficulties. In response to such difficulties facing their neighbors to the south, US officials expected Latin American countries to provide a good environment for foreign investment and increased trade, especially from the US. However, Eisenhower officials considered these sentiments of ‘nationalism, regionalism, neutralism, Communism’ as an unwelcome challenge in the early 1950s. John Foster Dulles had testified that, “We used to be able to let South America go through the wringer of bad times, and then when times would get better it was right there where it was; but the trouble is that now, when you put it through the wringer, it comes out red.”<sup>99</sup>

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<sup>98</sup> NSC memorandum of the 132<sup>nd</sup> Meeting of the National Security Council, Wednesday, February 19, 1953, Dwight David Eisenhower Library, Abilene, Kansas, “Papers as President of the United States: NSC Series,” Box 4.

<sup>99</sup> Rabe, 33.

For Dulles, the outgrowths of these sentiments were not only a threat to an invaluable source of raw materials and international cooperation.<sup>100</sup> Due to the appeal of the rapid industrialization and modernization of the Soviet Union, many people in Latin America envisioned the Soviet Union as representing a legitimate path in the pursuit of modernity and progress. Some Latin Americans believed that following the model of the Soviet Union could provide modernity for Latin America.<sup>101</sup> From the US perspective, the acceptance of communism as a viable alternative to the goals and the ideology of the US would not be tolerated. As Dulles emphasized, one of the greatest challenges to US foreign policy in the Cold War and toward Latin America would be to convince Latin Americans that communism was “an international conspiracy...” which undermined democracy and freedom.<sup>102</sup>

US officials ultimately expected the countries of Latin America to conform to pater-Americanism. Latin America must join the US in its efforts to combat the invasion of international communism. Each country must provide the US and the inter-American system with resources and solidarity, culminating in a hemispheric haven for democracy and capitalism and an inter-American system against extra-hemispheric challenges. Therefore, no Latin American country could provide sanctuary or support to international communism and its supporters.

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<sup>100</sup> NSC memorandum of the 132<sup>nd</sup> Meeting of the National Security Council, Wednesday, February 19, 1953, Dwight David Eisenhower Library, Abilene, Kansas, “Papers as President of the United States: NSC Series,” Box 4.

<sup>101</sup> Westad, 73-109, provides an excellent description of how the Soviet Union represented an ideological and noncapitalist model of progress.

<sup>102</sup> Rabe, 32.

The benefits of the inter-American system hinged upon the continued unity of Latin America and the United States. As US officials sought to reinvigorate the inter-American system, the Eisenhower Administration also considered responses to countries that did not conform to US expectations. As the Eisenhower Administration defined in the early policy statement NSC 144/1 “United States Objectives and Courses of Action with Respect to Latin America” in March 1953, Latin America’s continued value to the US required hemispheric solidarity.<sup>103</sup> Although the Eisenhower Administration would promise the continued adherence of the US to policies of nonintervention with respect to Latin America, these officials were limited in their tolerance of any country that deviated from its role. Gleijeses emphasizes how NSC 144/1 includes (at least, in papers not shared in the initial public documents) a rather important sentence. Should the inter-American system “fail to protect vital United States national interests in this hemisphere, it is recognized that unilateral action by the United States may be necessary.”<sup>104</sup>

The inter-American system for Eisenhower officials provided essential resources and hemispheric solidarity, yet such value depended upon the conformity of Latin American countries to the goals of US officials, to the ideology of US foreign policy toward Latin America. For a victory in the Cold War, the US required its allies to eliminate any communist influences, whether those influences were policies, organizations, or people. Within NSC 144/1, the willingness of the Eisenhower Administration to provide resources, aid, and support to Latin American countries

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<sup>103</sup> Rabe, 26.

<sup>104</sup> Gleijeses, 268.



and the inter-American system hinged upon such compliance. If a Latin American country were to follow the example of the US, the country served as a component of the inter-American system and fell within the framework of pater-Americanism. If a Latin American country were to contest the hegemony of the US and its ideology, the Eisenhower Administration would not recognize such a country as a legitimate ally or component within the inter-American system. Eisenhower and many of his officials prepared to face both situations and ensure that the inter-American system would remain intact as a manifestation of pater-Americanism.

It is within the first years of the Eisenhower Administration's foreign policy toward Latin America that the examples of Guatemala and Bolivia occur. In 1953 and 1954, Eisenhower officials turned their attention to these two nationalist, reformist governments. The responses of the Eisenhower Administration to these two governments would draw upon the foreign policy described above.

## Chapter 4

### First Fears: US-Guatemalan Relations, 1944-1951

The collision between the Eisenhower Administration and the Guatemalan revolutionary government under President Jacobo Arbenz Guzmán had its roots in the first steps of the Guatemalan Revolution in 1944. With the overthrow of the traditional parties, Guatemalans embarked upon a truly revolutionary experience. These first interactions influenced the trajectory of US-Guatemalan relations in 1951 and US officials' perceptions of the Latin American country's leadership.

For 13 years, Jorge Ubico y Castañeda stood as a ruthless dictator. Ubico emerged in the early 1930s as one of the more ruthless Guatemalan governors capable of maintaining the status quo during the economic crash of 1929. As Guatemala's export industries endured economic hardships, Ubico ensured order. During his dictatorship, Ubico alienated the middle class by slashing the government budget and limiting the bureaucracy. Ubico repressed urban labor, deeming any union supporters or labor advocates as communists and subversives.<sup>105</sup>

Ubico's government drew support from the landowners and the military. Ubico formalized the landowners' dominance over the indigenous population. The indigenous population comprised two-thirds of the 2.25 million population, but almost three-fourths of agricultural land belonged solely to less than 2 percent of the population.<sup>106</sup> Landowners wished to increase labor productivity, yet such improvements depended upon bettering the living conditions of the indigenous

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<sup>105</sup> Gleijeses, 11.

<sup>106</sup> Furthermore, less than 1 percent of the land was actually cultivated.

masses. These goals were dwarfed by the landed aristocracy's preoccupations with increased wages and fears of an indigenous uprising.<sup>107</sup>

For years, in order to ameliorate such fears, landowners banded together, with government assistance, to repress indigenous laborers.<sup>108</sup> For decades, landowners maintained a universal 15 centavos wage, required every indigenous male between the ages of 18 and 60 to work on a landowner's estate for 100 days, and killed any dissidents. Under Ubico, such operations were not only formalized but reinforced, as exemplified by Ubico's legalization of a landowner's murder of an indigenous worker. Ubico's dictatorship may have officially eliminated debt peonage, but new mechanisms served to control the indigenous peoples.

Ubico utilized the military to solidify his position in the country. The military led forced labor patrols, controlled the schools, and served throughout the government bureaucracy. While many indigenous served as enlisted soldiers, the officers emerged from the Ladino class.<sup>109</sup> These Ladinos perceived the military as an opportunity for upward mobility in times of economic hardships, and this reinforced the social stratification defining the country's demographics.<sup>110</sup> With less than 800 officers and 6,000 enlisted, the Guatemalan army worked alongside the Guatemalan police to provide Ubico and the landowners throughout the country with a sense of tranquility for over a decade.<sup>111</sup>

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<sup>107</sup> Gleijeses, 11-3, 36-7.

<sup>108</sup> Gleijeses, 10-4.

<sup>109</sup> The term 'Ladinos' characterizes those who are not indigenous or blacks.

<sup>110</sup> Gleijeses, 14-16.

<sup>111</sup> Gleijeses, 15-17.

Similar to many Latin American leaders and dictators during this period, Ubico's style integrated numerous aspects of European fascism. Fearful of communist subversion and indigenous uprisings, Ubico utilized the military and the bureaucracy to expand the government's reach throughout the country. Ubico's government acquired significant legitimacy among the Guatemalan elites when his government uncovered a communist conspiracy in 1934. During the 1930s, US newspapers frequently linked the Ubico dictatorship to the Axis countries of Germany, Italy, and Japan.<sup>112</sup>

At the onset of World War II, Ubico presented his dictatorship as a model Latin American 'banana republic' government for the US in order to combat any fascist labels and obtain US economic assistance. Ubico promised the United States any and all available resources for the Allies' war efforts and presented Guatemala as an invaluable cog in the inter-American system. The US military received land and personnel to create military bases.<sup>113</sup> Guatemala declared war on Japan, Italy, and Germany without hesitation, contributing to the image of hemispheric solidarity behind the US. In compliance with the FBI, Ubico discriminated against Guatemalans of German origin and expropriated coffee estates belonging to the German community.<sup>114</sup> For the FDR administration, a Guatemala under Ubico's

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<sup>112</sup> Gleijeses, 17-19, 21.

<sup>113</sup> Demonstrating his commitment both to the US and to Guatemala's landowners, Ubico forbade the US army from paying indigenous laborers more than the wages paid by the landowners.

<sup>114</sup> Gleijeses, 19-21; Blasier (1985), 27. Gleijeses and Blasier (1985) also describe how Ubico upheld US private interests, such as those of the United Fruit Company.

hand conformed, if not exemplified, the role of a Latin American government in the inter-American system.

The summer of 1944, though, signaled a change throughout Guatemala. In El Salvador, the military dictator Maximiliano Hernández Martínez fell. Such an episode increased fears among other dictators, and Ubico responded by strengthening his regime's hand throughout Guatemala. In response, teachers and students protested the government's authoritative rule. The groups supporting the protest gradually grew to include other professionals, the middle class, and the impoverished. Ubico's military and police responded to this 'state of siege' with violence against life and property of those participating in anti-Ubico protests. As the protest incorporated new dissidents, Ubico would resign, leaving a military junta in his place.<sup>115</sup>

Despite the value of the Ubico dictatorship to the inter-American system, the US government played a rather insignificant role during the Guatemalan Revolution. The actions of the revolutionary movement evoked sympathy from US officials. As Guatemalans sought to remove Ubico, they invoked the rhetoric of the Allies and the principles of World War II. FDR's 'Four Freedoms' inspired Guatemalans to struggle for the freedoms of speech, of religion, from want, and from fear.<sup>116</sup> Guatemalans incorporated the Atlantic Charter into their statements of their ideals and celebrated democracy's crusade against fascist totalitarianism.<sup>117</sup> As a result, US

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<sup>115</sup> Gleijeses, 22-7; Schlesinger and Kinzer 25-8.

<sup>116</sup> Schlesinger and Kinzer, 26.

<sup>117</sup> Blasier (1985), 27.

officials initially saw little difference between Ubico's Guatemala and the revolutionary Guatemala of 1944.<sup>118</sup> Both the revolutionary movement and its military junta expressed to US officials a similar position in the international war, and such sentiments appealed to some US officials with the promise of a democratic Guatemala committed to both the Allies' efforts and the inter-American system.

Nevertheless, the early US government response to the Guatemalan Revolution was ambivalent. When the US ambassador in Guatemala expressed his fear of the Revolution, Norman Armour of the State Department succinctly expressed the US position, "We wish to cultivate friendly relations with every government in the world and do not feel ourselves entitled to dictate to any country what form of government best suits its national aspirations. We nevertheless must naturally feel a greater affinity, a deeper sympathy and a warmer friendship for governments which effectively represent the practical application of democratic processes."<sup>119</sup> US officials identified the revolutionary movement with Allied sympathies, yet these officials did not provide any direct support to the revolutionaries. While the Mexican government expressed its sympathy with the revolutionaries, the US government appeared to vacillate on a proper response. One US official noted that Ubico "has completely dominated the country but in fairness it must be said that Guatemala has no real tradition of liberty and that in return for the suppression of freedom, he has given the country a peaceful, progressive and in general honest administration."<sup>120</sup>

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<sup>118</sup> Gleijeses, 85.

<sup>119</sup> Schoultz, 317.

<sup>120</sup> Gleijeses, 25-6; Blasier (1985), 28.

Despite some US officials' empathy with the ideals of the revolutionary movement, they reserved their final decisions. These policymakers felt anxious in establishing relations with a Latin American country lacking a suitable authority capable of guiding it upon the proper path of governance; US officials feared that the country would collapse under despotism and violence.

The first president to emerge from the triumph of the Guatemala Revolution was Juan José Arévalo. The revolutionary movement and the junta had ousted the provisional president General Federico Ponce Vaides because he wished to follow in the footsteps of Ubico. In contrast to their earlier actions, US officials played more of a role here by allowing revolutionary leaders to negotiate a settlement with Ponce at the embassy. Throughout these proceedings, US officials recognized the revolutionary movement and its 'responsible' actions:

The movement which overthrew Ponce was well planned and efficiently executed as has been the effort to restore public order and confidence. The behavior of the junta and its volunteer police has been correct in regard to citizens' private property.<sup>121</sup>

Such rhetoric advocated the revolutionary movement's leadership under Captain Arbenz, Senator Jorge Toriello, and Major Francisco Arana. Under the junta's direction and with the support of newly established political parties, Arévalo would assume the presidency in 1945.<sup>122</sup>

Arévalo's service to the Guatemalan country is noted for opening civil society to political parties, trade unions, and labor reform. However, labor reforms under Arévalo had little effect on the agrarian sector, composed of over three-fourths of the

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<sup>121</sup> Blasier (1985), 29.

<sup>122</sup> Gleijeses, 33-6; Schlesinger and Kinzer, 30-2.

labor force, and the rural populace, comprised of fourth-fifths of the total population.<sup>123</sup> The Labor Code in 1947 demonstrated the country's conflicted progress. The code granted peasants the right to unionize, yet a union required fifty members with two-thirds of the membership deemed literate.<sup>124</sup> The labor code, therefore, provisioned stiff limitations upon agricultural unions. Ultimately, individual urban unions capitalized upon the new code while agricultural unions benefitted little.<sup>125</sup>

Another example of the limited reforms existing under the Arévalo government emerges in evaluating the efforts of the Confederación de Trabajadores de Guatemala (CTG). Despite the union's communist influences, the CTG frequently banded with other labor unions in order to achieve significant victories for the labor movement. The CTG capitalized upon the Labor Code and aided in the implementation of the reforms in the urban sector. Such efforts ensured the CTG with a reputation of honest service to labor. In the countryside, however, the CTG faced repression and violence from landowners, formal barricades from the law, and limited resources. Without significant investments to the countryside's infrastructure or governmental assistance under Arévalo, peasants' livelihoods differed little from

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<sup>123</sup> This is not to say that Arévalo's government is noted for no successful reform. Gleijeses emphasizes that, under Arévalo, the lower and middle classes of the urban populace received numerous benefits and rights which had been denied for years (38). Schlesinger and Kinzer agrees with Gleijeses with their description of the rights promised under the new constitution (32-4).

<sup>124</sup> This conflict is readily apparent when one considers that over three-fourths of the Guatemalan population were illiterate and over nine-tenths of the Indian population were illiterate (Schlesinger and Kinzer, 38).

<sup>125</sup> Gleijeses, 41-3.



previous dictatorships. Arévalo appeared hesitant to commit to any significant labor reform in the countryside.<sup>126</sup>

Furthermore, the Arévalo government did not attempt any holistic program of agrarian reform. In the government's administration of almost 130 estates called the *Fincas Nacionales*,<sup>127</sup> these lands remained relatively unproductive. Any reform effort implemented under the Arévalo government was generally hindered by bureaucratic incompetence and corruption. This resulted from the incompetence and corruption of the bureaucracy as well as the government's inability to properly develop the estates or invest in their future.<sup>128</sup>

Throughout the Truman Administration, US officials wavered in their analyses of the Arévalo government and its communist 'infiltration.' Further discussions and analyses by US officials elaborate upon the Truman Administration's attempts to reconcile Arévalo's policies with US foreign policy during the Cold War.

Many US officials linked Arévalo's reforms, both the successful and the poorly implemented, to opportunities for communist infiltration. In October 1947, the US embassy in Guatemala produced a report, "Communism in Guatemala," which linked developments in Guatemala with the infiltration of Communist elements. This characterization of the Guatemalan government would find a sympathetic ear among some Truman officials (and especially later Eisenhower officials), "Communist penetration made startling progress during the immediate post-revolutionary period

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<sup>126</sup> Gleijeses, 41-8.

<sup>127</sup> The *Fincas Nacionales* owed much of its land to the coffee estates confiscated from the German communities during World War II under Ubico's rule.

<sup>128</sup> Gleijeses, 43-8.

(1944-47), as evidenced by the radical nature of social, labor and economic reforms, accompanied by strong overtones of class warfare. *Infiltration of indoctrinated communists, fellow-travelers, and Marxist ideas unquestionably reached dangerous proportions.*<sup>129</sup> Despite Arévalo's inability to construct reforms that would impact the majority of the population outside the cities, US officials felt that many of the successfully implemented reforms would advance communism. One report claimed that "a suspiciously large portion of the reforms advanced by the present revolutionary Government seem motivated in part by a calculated effort to further class warfare."<sup>130</sup> Another report criticized the literacy program, "at the same time these backward Indians get their A.B.C.'s, they get a shot of communism."<sup>131</sup> Although this analysis conflicts with Gleijeses' assessment of Arévalo's limited influence in the countryside and among the indigenous populace, US officials ascertained that reforms among this 'susceptible' population would create inroads for communist dominance.

Arévalo did not remain unmoved by US officials' preoccupations. Arévalo argued that the reforms of his government should actually ameliorate the fears of US officials. During a conversation between Arévalo and Ambassador Richard C. Patterson, Jr., in 1949, Arévalo explained that "the difficulties and apparent harassments due [to the] fundamental nature [of the] Guatemalan revolution [were] resulting inevitably [in a] conflict between capital and labor effects...felt by

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<sup>129</sup> Schoultz, 338 (my emphasis).

<sup>130</sup> Schoultz, 338.

<sup>131</sup> Schoultz, 339.

Guatemalan capital as well as US private interests. [The policy of] his government [was] precisely one [with] social and economic betterment as [the] only long range means [to] remove maladjustments that now unfortunately provide fertile soil [for] Communist propaganda.”<sup>132</sup> Patterson’s impression fell in line with the assessments of Truman officials and especially Eisenhower officials who claimed that the reformist governments of Arévalo and Arbenz would be corrupted, infiltrated, and subverted by Communists. However, Arévalo assured US officials that Communism would never find a home among the Guatemalan population and that Guatemala would inevitably fall into the US sphere of influence.<sup>133</sup> Noting how Arévalo’s government limited the power of the Communist party and deported many communists and labor activists, the State Department characterized Arévalo as a voice which might “take steps to end Guatemala’s procrastination on the Communist question.”<sup>134</sup> Since Arévalo recognized how reform could provide inroads for communist influence, Truman officials appreciated the Guatemalan president’s vigilance on the issue.

Truman officials’ reluctance to intervene directly in the Arévalo government also derived from the Truman Administration’s unwillingness to abandon the ideals of the Good Neighbor Policy and the Atlantic Charter, policies which had linked the inter-American system during periods of external threats and influenced some revolutionary movements to remain within the US sphere of influence. US officials

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<sup>132</sup> Wood (1985), 153-4.

<sup>133</sup> Wood (1985), 156.

<sup>134</sup> Gleijeses, 38; Wood (1985), 156.

even argued intervention would be a contributing factor in pushing Guatemala outside of the US sphere of influence. State department officials explained, “Arévalo was popularly elected, appears to enjoy the support of the Guatemalan people, and on the whole is democratic in spirit and action. Accordingly, the United States would regret the overthrow of the Arévalo Government by unconstitutional means and the danger such overthrow would involve of retrogression in the advance toward full democracy of the Guatemalan people.”<sup>135</sup> Assessing the Arévalo government, US policymakers feared that direct intervention would undermine the US position throughout Latin America.

When United Fruit and International Railways of Central America first protested against the Arévalo reforms, the Truman administration did not intervene directly on behalf of UFCO and IRCA. Instead, these officials approached the situation with great caution and stressed the need for UFCO and IRCA to take a more moderate approach to the reforms. The State Department should impress “upon the Guatemalan Government, and labor unions through such contact as is possible, and U.S. firms, the desirability of approaching labor problems fairly and impartially, and in accordance with law. Magnifying the issues into questions of sovereignty and removing them from their true significance as management-employee problems, can only be detrimental to both sides...As a basis for continuation of this missionary work, we have two glaring examples (the United Fruit Company, and IRCA cases) of how improper handling and magnification of labor issues has done nothing but force

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<sup>135</sup> Wood (1985), 153.

dubious face-saving settlements after provoking a vast amount of lasting ill will.”<sup>136</sup>

While observing the importance of private enterprise, Truman officials did not believe that the US government should only invest in those countries that serve North American private enterprise unquestionably. Under-secretary James E. Webb pithily explained the Truman Administration’s policy to a Guatemalan official, saying, “the State Department...is not the blind advocate of American enterprise abroad.”<sup>137</sup>

The growing uncertainty surrounding the US officials’ understanding of the Arévalo government becomes more apparent after 1947. Here, the Truman Administration’s analysis of the Arévalo government recognized its democratic ideals while showing a preoccupation of the country’s future under a nationalist government. For example, as the reforms of the Arévalo government took effect, the State Department utilized Ambassador Patterson to pressure the government to conform to US officials’ expectations. At the same time, the State Department refused to openly label the Arévalo government as Communist or challenge the government, “[Patterson] should carefully refrain in any way from conveying the impression that this Government is assuming, or intends to assume, a threatening posture toward Guatemala, which is not the case. However, the Department feels, and you may so state to the President, that it cannot continue to conduct its relations with the Guatemalan Government in that cordial and cooperative spirit that has inspired it in the past unless there is a reciprocal desire on the part of the Guatemalan Government to contribute likewise to mutual understanding, fair treatment, and

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<sup>136</sup> Wood (1985), 154-5.

<sup>137</sup> Wood (1985), 155.

friendly cooperation.”<sup>138</sup> Here, it is clear that Guatemala’s departure from its prescribed role in the inter-American system began to worry Truman officials. These officials did not wish to undermine the democratic developments that found inspiration by linking with the ‘democracies,’ the Allies. On the other hand, Truman officials began to fear losing Guatemala, as a source of support and resources, within the context of the inter-American system.

The years of 1949 and 1950 signaled to many US officials the challenge that an uncontained nationalist, reformist government in Latin America posed to the inter-American system and the Cold War. The assassination of Colonel Francisco Javier Arana in 1949 produced the election of Arbenz in 1950 and caused great unease in the US. Wood invokes the analysis of C.C.H. Lee, a British ambassador to Latin America with strong links to US policymakers, to describe how many US officials characterized the assassination. For Lee, the assassination allowed for Arévalo “to achieve his object of subjecting Guatemala to Moscow’s plans,” for Arana represented the “sole moderating influence on the more extreme members of this government.” Guatemala stood “on the point of becoming the first ‘iron-curtain’ state in this continent,’ and, ‘unless the United States government [adopts] a very strong attitude towards the leaders of the Guatemalan State, we shall be confronted with a Kremlin-controlled focus in Central American of incalculable potential danger. The unblushing hypocrisy and the dastardly treachery of the present top men of Guatemala in this murder of Arana warrant the development of our future policy

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<sup>138</sup> Wood (1985), 153.

towards them upon a premise that their avowed object is to make Guatemala one of Moscow's satellites.”<sup>139</sup>

Applying Pastor's analysis of how US officials seek the more moderate representative during Latin American political successions, the elimination of Arana (and the inability of the Guatemalan government to determine the culprits) served to influence members of the Truman and the upcoming Eisenhower Administration. As Arbenz took office in 1951, the US had no ambassador to Guatemala, sold no arms to the country, and began to listen to more voices championing UFCO and the unquestioning protection of private enterprise in the banana republic. Such sentiments reflect the shift in the attitudes of US officials toward the departing Arévalo government, increasing fears of Communist infiltration in a Latin American country susceptible to external influence.

A shift became more apparent when the Truman Administration departed. Before a House committee, Adolf Berle foreshadowed what would become a central argument of not only the Eisenhower Administration's policy toward Latin America but future administrations' policies. Berle claimed that “Guatemala presents a genuine penetration of Central America by Kremlin Communism.” Berle then described possible US responses. Touching upon armed intervention, Berle fell in line with past policy and reservations against intervention in claiming that any such action would be “an extremely bad last resort.” The better option, according to Berle, would be “organizing a counter-movement, capable of using force if necessary, based

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<sup>139</sup> Wood (1985), 156.

in a cooperative neighboring republic.”<sup>140</sup> Berle reflected the preferences of some US officials. Fearful of hemispheric backlash resulting from direct US intervention against a radical Latin American government, these officials would consider providing support to US allies and rebels. If a Latin American country would not take the ‘proper’ path of governance, US policymakers would seek to identify a ‘proper’ alternative to the government and provide it with aid to replace the government. With the Truman Administration’s refusal to intervene directly in Guatemala or overthrow the Guatemalan government, the incoming Eisenhower Administration would have the opportunity to determine the final say on the matter.

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<sup>140</sup> Schoultz, 339.



## Chapter 5

### Challenging the System: US-Guatemalan Relations, 1953-1954

The Eisenhower Administration's reaction to the Arbenz government in 1953 and 1954 depended on Eisenhower officials' interpretation of the role of Guatemala in the inter-American system, a core component to the ideology of US foreign policy toward Latin America that I have defined as pater-Americanism. Basing its perceptions upon earlier analyses of the Guatemalan Revolution and escalating challenges to US foreign policy during the Cold War, the Eisenhower Administration concluded the Arbenz government was composed of communist agents. Following the works of Blasier (1985), Wood (1985), and Cottam, this thesis argues that the Eisenhower Administration's support of a counter-revolutionary movement to overthrow the Arbenz government was in great part a response to the Guatemalan government's departure from its expected role in the inter-American system. Many Eisenhower officials would consistently contend that their operations against Arbenz simply overthrew a communist infiltrated government. Schoultz and numerous other scholars, on the other hand, have pointed out that Eisenhower officials had little proof in 1954 of communist agents or subversion threatening the well being of the country.<sup>141</sup> It is for this reason that scholars continue to explore the Eisenhower Administration's reaction to the Arbenz government and assess the factors that contributed to these actions. This thesis adds to this scholarly discussion by arguing that the Eisenhower Administration evaluated the Arbenz government within the

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<sup>141</sup> Schoultz, 342.

framework of pater-Americanism; Eisenhower officials judged that the Arbenz government not only diverged from its responsibility as a Latin American government but also challenged US expectations that Guatemala should follow this role.

As the Eisenhower Administration implemented its foreign policy toward Latin America, US officials continued to view Guatemala as ill-equipped for self-governance. Schoultz argues that Eisenhower officials' analysis of Guatemala incorporated the domino theory idea held by many policymakers. Lacking the capability to determine its own path toward proper governance, Guatemala and the rest of Latin America must then follow in the US image. Otherwise, one Latin American country that succumbs to communist infiltration would inevitably lead its neighbors to follow the same flawed path.<sup>142</sup>

The Eisenhower Administration's initial perceptions of the Arbenz government drew from the policies implemented under the Truman Administration. As Eisenhower officials sought to realize NSC 141, policymakers took into account the absence of a comprehensive mutual defense agreement between the US and Guatemala. Mutual defense agreements had been established between the US and various Latin American governments (especially those in the Caribbean). As Eisenhower policymakers prepared to reinforce anti-communist policies throughout the hemisphere, these officials continued the Truman Administration's embargo to

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<sup>142</sup> Schoultz, 343.

prevent Guatemala from acquiring arms.<sup>143</sup> Gauging Guatemalan developments alongside challenges in Korea and Iran, US officials separated the Arbenz government from other, more cooperative Latin American governments.

When Guatemalans elected Jacobo Arbenz Guzmán as president in 1950, Arbenz would quickly challenge the United Fruit Company's (UFCO) monopolistic control over the country's resources and economy as well as pater-Americanism by defying US officials' regulations concerning private investment. On June 17, 1952, Arbenz initiated the Agrarian Reform Law. Denied foreign loans and facing US pressures, Arbenz believed that Guatemala would have to pursue a program of economic development without significant external assistance. With the approval of Decree 900, Arbenz initiated a systematic program of agrarian reform. The Arbenz government utilized Decree 900 to expropriate uncultivated lands and distribute any such lands to peasant families. Under Decree 900, around 1.5 million acres of land were expropriated. Decree 900 was complemented with a public works program. The public works program sought to construct a network of roads, a port in Santo Tomás, and a hydroelectric plant. The Arbenz government thus initiated an economic program for "self-sustained economic development based on agrarian reform and public works."<sup>144</sup> Ultimately, Decree 900 targeted the unequal distribution of land that had dominated the Guatemalan country for centuries and portrayed the endeavors

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<sup>143</sup> Blasier (1985), 67.

<sup>144</sup> Gleijeses, 149. See Gleijeses, 149-70, for detailed narrative of the agrarian reform. Blasier (1985) notes how the Arbenz government did undermine US-owned public utilities' control over the Guatemalan economy, yet the US government did not appear to participate in any direct action related to the utility companies (80, 88-9).

of the Arbenz government to embark upon a path of economic development different from the approach favored by US officials.

The Arbenz government's agrarian reform impacted the land holdings of UFCO. UFCO virulently condemned the agrarian reform as the company watched the Arbenz government expropriate uncultivated land throughout the country. Owning almost 550,000 acres of land in Guatemala, UFCO officials argued that the company needed the land in the event that a banana disease ravaged those lands already in cultivation.<sup>145</sup> In March 1953, the Arbenz government expropriated 209,842 acres of uncultivated land from UFCO holdings at the Tiquisate plantation. The Arbenz government, though, did engage with UFCO to provide compensation for the expropriation. The Arbenz government offered \$627,572 in bonds. This offer was based upon UFCO's tax documents, but UFCO had consistently devalued their lands in order to avoid taxes. Indignant at the seizure and the devalued compensation offer, UFCO officials then appealed to Eisenhower officials, claiming that the Arbenz government was unfairly targeting foreign investment.<sup>146</sup>

US officials, less than a month after the Arbenz government seized the UFCO lands at Tiquisate, lodged a formal protest. Eisenhower officials filed the protest citing the policies for expropriation explained by Secretary of State Cordell Hull in 1938 in light of the expropriation of US properties in Mexico:

We cannot admit that a foreign government may take the property of American nations in disregard of the rule of compensation under international law. Nor can we admit that any government unilaterally and through its municipal legislation can, as in this instant case,

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<sup>145</sup> Schlesinger and Kinzer, 75, notes that 85 percent of UFCO land was uncultivated in 1953.

<sup>146</sup> Schlesinger and Kinzer, 75-6; Blasier (1985), 75

nullify this universally accepted principle of international law, based as it is on reason, equity, and justice.<sup>147</sup>

Eisenhower officials, fearful of communist seizures of private investments in the Third World, believed that international law demanded ‘just’ compensation for expropriated lands. Furthermore, US policymakers interpreted ‘just’ compensation as ‘prompt, adequate, and effective’ compensation. In alignment with the idea that private property is a natural right, Eisenhower officials expected the Arbenz government to conform to such international obligations.

In response to the first note, the Arbenz government asserted the Guatemalan country’s rights to expropriate property and determine the definition of ‘just’ compensation. The Arbenz government’s reply claimed that Decree 900 targeted uncultivated lands throughout Guatemala, not just those belonging to UFCO. Guatemalan officials reiterated that the seized lands were in “permanent unproductiveness.” The Arbenz government also criticized Eisenhower officials for questioning the amount offered in bonds to UFCO. Guatemalan officials emphasized how the value of the bonds was determined by UFCO tax claims, and the Arbenz government’s seizure of UFCO lands and offer of \$627,572 were ‘just’ actions on the part of the national government.<sup>148</sup>

The Eisenhower Administration refused to recognize the Arbenz government’s right to challenge US officials’ demands. In August 1953, Eisenhower officials sent a second note to the Guatemalan government. These officials

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<sup>147</sup> Blasier (1985), 81. US officials would further question the Arbenz government’s respect for private property and foreign investment as Guatemala remained closed to US oil companies, for Guatemalan officials feared inviting another UFCO into its country.

<sup>148</sup> Blasier (1985), 89.

questioned the ‘fair’ application of Decree 900, for almost two-thirds of the total land seized belonged originally to UFCO. Eisenhower officials also criticized the Arbenz government’s interpretation of ‘just’ compensation. US officials stated that the Arbenz government had an obligation to conform to international law and provide ‘prompt, adequate, and effective’ payments to UFCO. Eisenhower officials then disapproved of the bond payments, for bonds payments could “scarcely...be regarded as either prompt or effective payment.”<sup>149</sup> US officials then told the Arbenz government to settle the issue with the company, the US government, or an international tribunal. Guatemalan officials did not agree to any of these terms, and Guatemala’s Foreign Minister Guillermo Toriello labeled Eisenhower officials’ actions as “another attempt to meddle in the internal affairs of Guatemala.”<sup>150</sup>

Eisenhower officials believed that the Arbenz government departed from its obligations under international law as well as its role in the inter-American system. The economic assistance and mutual security pacts offered to Latin American countries depended upon that country’s respect for private property. When the Eisenhower Administration made a formal claim for \$15,845,849 against the Arbenz government for compensation to UFCO, Eisenhower officials felt the US government was justified in setting the Guatemalan government upon the proper path. The Arbenz government not only asserted its rights to expropriate lands but also challenged the authority of the US government. The efforts of the Arbenz government to determine its right to self-governance conflicted with long-held

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<sup>149</sup> Blasier (1985), 89.

<sup>150</sup> Blasier (1985), 89; Wood (1985), 150-1; Schlesinger and Kinzer, 76.

perceptions of Latin American's inferiority. Eisenhower officials' perception of the Arbenz government emerged from these officials' adherence to the ideology of pater-Americanism and the nation's departure from its role in the inter-American system in the face of an extra-hemispheric ideological challenge to the US.

The impact of such defiance of US officials' interpretation of the ideological orientation of the Arbenz government and its challenge to its set role in the inter-American system became apparent in the perception of Assistant Secretary of State for American Republics (Inter-American) Affairs John Moors Cabot. Having served previous administrations in various capacities, Cabot originally represented a voice in opposition to the Eisenhower Administration's operations against the Arbenz government. Cabot explained, "I had been brought up on the doctrine of non-intervention and I could recall various episodes in which intervention had ended disastrously."<sup>151</sup>

Furthermore, Cabot was responsible for the first US complaint in March 1953 that encouraged the Arbenz government to rethink its compensation policy.<sup>152</sup> When former Central Intelligence Agency (CIA) director General Walter Bedell Smith became the Undersecretary of State for Foster Dulles, Cabot initially clashed with Smith's policies. Cabot describes how in 1953 Smith had "suggested a coup against the Arbenz government, pointing out that the coup against the Mossadegh government in Iran had been staged by the CIA and the British secret service and that

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<sup>151</sup> Wood (1985), 159.

<sup>152</sup> Schlesinger and Kinzer, 103.

our involvement had not become public at the time.”<sup>153</sup> In line with most of the staff in the department with experience under previous administrations, Cabot instead explained how “it would be better to act through the Organization of American States if that were possible” and discouraged the implementation of a coup against Arbenz.<sup>154</sup> Schlesinger and Kinzer points out that Cabot’s family owned stock in UFCO and had worked for the company as examples of how UFCO utilized its connections with US officials to encourage intervention in Guatemala.<sup>155</sup> On the other hand, Wood’s (1985) description of Cabot portrays an Eisenhower official hesitant to intervene directly in the internal affairs of a Latin American country and refusing to contradict the principles of the Good Neighbor Policy.<sup>156</sup>

Cabot, however, quickly changed both his perception of the Arbenz government and his policy recommendations. In April 1953, Cabot visited Guatemala and met with Arbenz and other Guatemalan officials. During the meeting, Cabot reiterated the Eisenhower Administration’s position on ‘just’ compensation and encouraged the Arbenz government to play a more active role in suppressing Communist organizations in the country. The Foreign Minister Raúl Osegueda and

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<sup>153</sup> Wood (1985), 159.

<sup>154</sup> Wood (1985), 159.

<sup>155</sup> 106-7. Schlesinger and Kinzer, 106-7, also illuminates upon the connections between UFCO and the Dulles brothers. John Foster Dulles and Allen Dulles had served as a legal advisor to UFCO’s holding interests, as evidence by his service to the bank that was the financial adviser to the International Railways of Central America (IRCA). Such factors are argued as influential in the Eisenhower Administration’s policy decisions with regard to the Arbenz government in Guatemala.

<sup>156</sup> 159.



Arbenz refused to comply with Cabot's suggestions.<sup>157</sup> Upon his return to the US,

Cabot explained:

My talks in Guatemala were highly unsatisfactory. The Foreign Minister [Osegueda] was a complete jackass who talked endlessly without making any sense. President Arbenz had the pale, cold-lipped look of the ideologue and showed no interest in my suggestions for a change in his government's direction. He had obviously sold out to the Communists and that was that.<sup>158</sup>

Despite Cabot's initial reservations about intervening in Guatemala's internal affairs, Cabot's interpretation of his meetings with Arbenz and other Guatemalan officials in 1953 led him to return to Smith and argue that "a CIA-organized coup was the only solution."<sup>159</sup>

Entrenched in the ideology of the Cold War and the principles of pater-Americanism, Cabot interpreted the Arbenz government's refusal to comply with his recommendations as hints of communist subversion. His years of experience deemed that only a subverted Latin American country would challenge its role in the inter-American system. Blasier (1985) describes how Toriello approached Eisenhower and Smith on behalf of the Arbenz government in early 1954 and claimed that Cabot's interests in UFCO were influencing Cabot's capability as a nonbiased observer. Blasier (1985) then writes that Cabot's stock and connections to UFCO probably had a fairly insignificant impact upon Cabot's assessment of the Arbenz government.<sup>160</sup> This argument stresses that a 'seasoned' foreign policy official would have remained objective despite such influences. Such a factor, however, must still be kept in mind,

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<sup>157</sup> Blasier (1985), 160.

<sup>158</sup> Schlesinger and Kinzer, 103; Wood (1985), 161. Both Schlesinger and Kinzer and Wood (1985) utilize Cabot's description as representative of US officials' perceptions of the Arbenz government.

<sup>159</sup> Wood (1985), 161.

<sup>160</sup> 164-6.

as demonstrated with Schlesinger and Kinzer's investigation of UFCO connections to important Eisenhower officials.

The analysis of Cabot's articulation of the Guatemalan situation and his shifting perception of Guatemalan officials suggests the actual factors behind Cabot's justification for US intervention in Guatemala. Cabot's perception of Arbenz was entrenched in pater-Americanism. Cabot initially adhered to policies of nonintervention. When Arbenz defied Cabot's call to reorient the Guatemalan government within the expectations of US policymakers, Cabot then called for efforts to undermine the Arbenz government. The refusal of Arbenz to realize Guatemala's 'responsibilities' challenged this set ideology and thus directly influenced Eisenhower officials' decision to eliminate the Arbenz government. Resulting from its refusal to comply with US officials' demands for 'just' compensation and communist suppression, the Arbenz government crossed the Eisenhower officials' threshold of disobedience and deviated from Guatemala's expected role in the inter-American system.

The Eisenhower Administration condemned the Arbenz government for its toleration of Communists. As president of Guatemala, Arbenz reversed his predecessor's political censorship of Communist organizations. Gleijeses, Schlesinger and Kinzer, and Blasier (1985) have all acknowledged that Arbenz allowed for Communists to play significant roles in the Guatemalan government and reformist programs. Blasier (1985) writes:

Under Arbenz the Communist influence in governmental affairs grew. Although only four of the fifty-six members of congress were Communists, Communist deputies had seats on all

major committees, were among the acknowledged leaders of the congress, and enjoyed enhanced influence on legislative matters in view of their recognized ties with the president. Communists held posts in the ministry of education, the national agrarian department, the press and propaganda offices, and other government agencies. In government agencies for the implementation of the agrarian reform communists were, perhaps, the most important single political group represented.<sup>161</sup>

All three texts emphasize, however, that the “government agencies in which the Communists had no influence were far more numerous than those they had successfully penetrated.”<sup>162</sup>

Set in anti-communist policies, the Eisenhower Administration would not tolerate the presence of any Communists within the Guatemalan government nor their involvement in agrarian reforms (especially those which targeted US private investment).<sup>163</sup> When officials such as Cabot encouraged the Arbenz government to reevaluate the dangers posed by its toleration of Communist participation in the Guatemalan government, Arbenz criticized US policies. Arbenz frequently cited his government’s adherence to the civil rights of all Guatemalans, including those of Communists.<sup>164</sup> US officials, though, would not allow a Latin American government to question the US view of the Cold War, an ideological struggle against subversive communist agents which would challenge US hegemony. Louis Halle and the State Department’s Policy Planning Staff epitomized Eisenhower officials’ perceptions of the Arbenz government in “Our Guatemalan Policy” in 1954:

The international Communist movement is certainly not the cause of the social revolution in Guatemala, but it has made the same efforts there that it has made everywhere else to harness the revolutionary impulses – nationalism and social reform alike – and exploit them for its own purposes...[International communism] has achieved a high degree of covert control over

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<sup>161</sup> 155-6.

<sup>162</sup> Schlesinger and Kinzer, 59.

<sup>163</sup> Wood (1985), 158-9.

<sup>164</sup> Blasier (1985), 156.

the reformist regime of President Arbenz and is dominant in the national labor movement...the real and direct threat that Guatemala poses for her neighbors is that of political subversion through the kind of across-the-borders intrigue that is a normal feature of the Central American scene. The danger is of Communist contagion and is most immediate with respect to Guatemala's immediate neighbors. The Communist infection is not going to spread to the U.S. but if it should in the fullness of time spread over much of Latin America it would impair the military security of the Hemisphere and thus of the U.S.<sup>165</sup>

The Eisenhower Administration could only interpret the Arbenz government's aversion to US officials' policy suggestions as representative of communist infiltration. Guatemalan officials "showed...no comparable understanding of the obligations of neighborliness, no recognition of the fact that, to avoid destruction, they must evict Communists from their administration."<sup>166</sup>

As a result of Guatemalan leadership's refusal to yield to US officials' demands, the Eisenhower Administration initiated Operation PBSUCCESS. Colonel Carlos Castillo Armas and US-funded troops moved into Guatemala. US aircraft bombed Guatemalan military bases, and CIA operatives bribed and discouraged Guatemalan forces from further attacks against the counter-revolutionaries. On June 27, 1954, Arbenz left the presidency. The Eisenhower Administration celebrated "Guatemala's decision" to combat communist forces and congratulated the new president of Guatemala, Castillo Armas.

The Arbenz government's defiance of the demands of the Eisenhower Administration challenged pater-Americanism. US officials assumed that 'suitable' Latin American governments would concede to US demands and priorities. The Arbenz government, though, pursued a path of governance that strayed from the path

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<sup>165</sup> Schoultz, 342.

<sup>166</sup> Wood (1985), 151-2.

set by US officials and pater-Americanism. Arbenz insisted upon implementing social reform and building a nation independent of external forces.<sup>167</sup> Arbenz incorporated Guatemalan Communists into his government's reform programs and refused to yield to US officials' demands. Arbenz's leadership placed the Guatemalan government upon a course opposing that directed by US officials.

Eisenhower officials thus interpreted the Arbenz government's unwillingness to conform to US demands concerning compensation and communism as challenges to the inter-American system, pater-Americanism, and US dominance. Schoultz describes how John Foster Dulles argued in 1954, "if the United Fruit matter were settled, if they gave a gold piece for every banana, the problem would remain just as it is today as far as the presence of communist infiltration in Guatemala is concerned. That is the problem, not United Fruit." Schoultz then comments, "it is possible that United Fruit had fooled him and others into believing that Guatemala's government was communist." In agreement with Domínguez, Schoultz emphasizes how communism impacted US officials' analysis of Arbenz and his government.<sup>168</sup> How were Eisenhower officials 'fooled' then, and why did this justify the Eisenhower Administration's crusade against the Arbenz government?

The Eisenhower Administration evaluated the Arbenz government through the lens set by pater-Americanism. As the Arbenz government defied US officials' demands, Eisenhower officials interpreted these actions as hints of communist subversion and as challenges to US supremacy in the region. The Eisenhower

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<sup>167</sup> Gleijeses, 378, succinctly states, Arbenz "wanted Guatemala to be a nation, not a banana republic."

<sup>168</sup> 338.

Administration's refusal to recognize the legitimacy of the Arbenz government developed from the Arbenz government's rejection of its role in the inter-American system. Formulating policies set upon US preeminence and Latin America's expected submission to US guardianship over the Western Hemisphere, US officials such as Cabot would have few qualms in participating in the overthrow of what they perceived to be a misguided Latin American government.

## Chapter 6

### Learning Lessons: US-Bolivian Relations, 1941-1951

The Paz government and the leadership of the *Movimiento Nacionalista Revolucionario* (MNR) would serve as a voice of the Bolivian Revolution in the early 1950s. The MNR leadership would come to power while utilizing its previous experiences with US officials and their adherence to pater-Americanism. From its inception as a political party, the MNR clashed with the US due to its nationalist and reformist policies. The MNR, though, took lessons from these experiences once it gained power in 1953.

On the eve of the Revolution, Bolivia shared numerous characteristics with Guatemala. The nineteenth and twentieth centuries witnessed the expansion of the hacienda system. Only 6 percent of landowners controlled 92 percent of the productive land. Furthermore, the large indigenous population worked the lands of the *latifundistas*. With few incentives to bring in the absentee landowners, the agricultural sector was marred by a lack of capital investments. In addition, Bolivia was dependent on food imports. From the 1920s into the early 1950s, foodstuffs would account for ten to twenty percent of imports. More than two-thirds of the population participated in the agricultural sector, yet agriculture and its related industries provided merely a third of the gross national product.<sup>169</sup>

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<sup>169</sup> See Klein (1992), Herbert S. Klein, "Prelude to the Revolution" in *Beyond the Revolution: Bolivia since 1952* (Pittsburgh, PA: U of Pittsburgh P, 1971), 25-51, and Malloy for more thorough discussions of Bolivian society and revolutionary sentiments.

The tin industry reflected the agricultural sector's oligarchic structure and lack of capital investment. By the mid-1940s, the Patiño, Aramayo, and Hochschild families (the Big Three) controlled over three-fourths of the tin industry. Tin accounted for 80 percent of the country's national exports. The Big Three also incorporated their companies overseas, seeking to avoid Bolivian tax laws. Even though tin provided the most revenue to the government, the tin companies maneuvered to avoid investing in their companies' infrastructure in Bolivia. The Big Three sought to evade sharing their profits with the Bolivian government, so the decapitalization of their mines served not only to avoid taxes but also to undermine the productivity of their mines.<sup>170</sup> Bolivia ultimately represented a powerful contradiction: a backward country with the majority of the population depending upon a single raw mineral to fund imports of necessary foodstuffs, even though this population primarily served in the agricultural sector.

The origins of the MNR would provide later lessons to the party's leadership due to the impact of the US government on the party's history. These origins can be traced to the seizure of Standard Oil properties in 1937.<sup>171</sup> A nationalist reformist military government under the leadership of Colonel David Toro had arisen in 1936 due to the country's military loss during the Chaco War (1932-1936) and overthrew

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<sup>170</sup> Dunkerley includes a useful description of the efforts of the tin companies to avoid developing the industry, "the [Aramayo] company resisted all efforts to establish a foundry in Bolivia; despite the fact that it gained no special advantage and incurred massive transport costs in using Patiño's British facilities, it was not prepared to countenance the enormous political and financial risks of concentrating the production process within [Bolivia's] national boundaries" (10).

<sup>171</sup> Blasier (1985), succinctly explains, "Early U.S. relations with the Bolivian revolutionaries (MNR) [in the 1950s] were shaped by the repercussions of the MNR's opposition to the settlement of a dispute with the Standard Oil Company" (46).



the government of Daniel Salamanca. The Chaco War represented an important point in Bolivia's history. Disappointed and marginalized portions of the country felt that the tin oligarchy and foreign corporations such as Standard Oil had pushed Bolivia into the conflict and had not contributed the necessary resources to support the Bolivian cause. The nationalist dissent against the current government and the tin oligarchy's *Rosca*<sup>172</sup> contributed to the ascent of the Toro regime.<sup>173</sup> The Toro government sought to capitalize on nationalist hostility to foreign interests, especially those of the British and the US.<sup>174</sup> Directing this discontent in order to maintain its own fragile position, the Toro government seized Standard Oil properties, attempted to moderate the *Rosca*'s influence in the government, and utilized its popular support to enact reformist policies.<sup>175</sup> The fall of the Toro regime in 1937 merely brought about another nationalist reformist military regime under Germán Busch. The Busch regime followed the same trajectory as the Toro regime.<sup>176</sup> With the death of Busch in 1939 and seizing upon traditional parties' desire to scale back the Toro and Busch reforms, a military junta pushed General Enrique Peñaranda into the presidency.<sup>177</sup>

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<sup>172</sup> The term *Rosca* refers to the organization of lawyers, politicians, journalists, and bureaucratic officials who served the interests of the tin oligarchy. The tin barons, including those of the Big Three tin companies, thus remained out of the affairs of the government while ensuring that their own interests dictated the direction of the Bolivian government.

<sup>173</sup> See Malloy, Chapter 4, for discussion of how the Chaco War served as an 'accelerator' for the first phases of the extended process that would define the Bolivian Revolution. See Knight, 54-90, for an analysis of the Bolivian Revolution as an extended process; Knight utilizes both the Mexican and Bolivian Revolutions, generating a comparative analysis of their processes.

<sup>174</sup> For a discussion of the complex relations surrounding US, British, German, and Argentine interests in Bolivia during this period, see Blasier (1972).

<sup>175</sup> Lehman (1999), 73.

<sup>176</sup> See Malloy, 85-95, for discussion of Toro-Busch regimes. See Wood (1967), 168-89, for detailed narrative of US-Toro-Busch relations surrounding the Standard Oil expropriation/seizure.

<sup>177</sup> Malloy, 111; Pike (1977), 254-5.

US policymakers adhered to a policy of nonintervention and did not apply direct pressure on the Toro government, yet US officials demanded that the Bolivian government reach an agreement concerning ‘just’ compensation to Standard Oil.<sup>178</sup> As previously described, US foreign policy toward Latin America during World War II valued Latin America as a source of raw materials and hemispheric solidarity, vital tenets of the inter-American system. Bolivian policy under the Toro and Busch regimes had conflicted with these two tenets, according to US officials.

US officials’ trepidations surrounding the Bolivian government’s relations primarily centered upon the source of strategic materials. US officials feared that the Toro government’s nationalization of Standard Oil properties might serve as an example for other Latin American countries. If other reformist-oriented governments were to expropriate US oil companies or other industries, the Western Hemisphere would lose much of its strategic importance to US policy, thus undermining US war efforts. US officials also contemplated the need for easy access to tin during a war. With essential tin deposits deriving from Asia and Bolivia, the loss of access to Asian sources during the war would increase the utility of Bolivian tin. US officials hoped to secure its access to Bolivian tin with a working relationship with the Bolivian government.<sup>179</sup>

US officials also concerned themselves with the links between Bolivia and Germany at this period. From trade to finance to the military, Germany wielded

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<sup>178</sup> Blasier (1985), 86. See Wood (1967), 189-202, for a more holistic narrative of US-Peñaranda relations surrounding the Standard Oil controversy and US economic assistance.

<sup>179</sup> Blasier (1972), 30-1.

significant influence in the Latin American country. Bolivia's nationalist rhetoric did not target German nationals or their property. US officials perceived Bolivia as an ally of Germany.<sup>180</sup> Such concerns weighed upon US officials as they sought to bring Bolivia into the inter-American system and construct a Latin American policy for World War II.

The US and Peñaranda governments then entertained the possibilities of US economic assistance packages to Bolivia. To obtain resources and hemispheric solidarity, US officials frequently maneuvered around any barriers with promises of economic assistance to the country. The FDR Administration had just expanded the reach of the Export-Import Bank to include Latin America, and numerous Peñaranda officials sought to secure a US development loan for as much as \$80 million. Despite some US officials' desires to provide Bolivia with economic assistance and rebut any further diplomatic inroads by German or Argentine officials, US policymakers stood adamant on the issue of compensation. The Peñaranda government recognized the tenuous nature of its situation. If Peñaranda officials enacted a program of compensation for Standard Oil, numerous sectors of Bolivia would classify the action as relinquishing control of resources to the company and foreign interests. This would undercut the last vestiges of authority stabilizing the Peñaranda government.<sup>181</sup>

The MNR best represented this opposition to the Peñaranda government's pursuit of a degree of accommodation with Standard Oil. The MNR surfaced in the

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<sup>180</sup> Blasier (1972), 27-9.

<sup>181</sup> Pike (1977), 257. Wood (1967), 189-96, provides the most detailed discussion of how US and Peñaranda officials negotiated in order to secure US assistance to Bolivia.

early 1940s in the wake of the widespread disillusionment in Bolivian governance during the Chaco War and the resulting formation of political parties in the 1930s and early 1940s. These parties were dispersed along the political spectrum. The *Partido Obrero Revolucionario* (POR) organized with a Trotskyite tendency and openly affiliated with the Fourth International. The *Partido de la Izquierda Revolucionaria* (PIR) organized in 1940 from the *Frente de la Izquierda Boliviano* (FIB) which had championed the only opponent to Peñaranda in 1940. The PIR “represented the strongest and most general expression of the Marxist-Leninist revolutionary tendency” in Bolivia and portrayed Stalinist tendencies. The *Falange Socialista Boliviana* (FSB) epitomized the more successful fascist leanings in the country.<sup>182</sup>

The MNR emerged as economic nationalist reactionaries agitated against any compromises with foreign interests and companies. For many, the party represented the spirit of disenchantment and reform exhibited in the aftermath of the Chaco War. The party espoused a Marxist intellectual framework, calling for the consolidation of the Bolivian economy and state. Its members’ strident nationalism was answered with labels of xenophobia, anti-Semitism, and Fascism. The MNR, though, maneuvered pragmatically with efforts to co-opt the nationalist and reformist sentiments among the Bolivian populace.<sup>183</sup> Víctor Paz Estenssoro, Augusto Céspedes, and Carlos Montenegro stood as the most prominent members of the MNR. From his participation in the Toro government as Under Secretary of Treasury to his service in the Bolivian legislature during the Peñaranda administration, Paz, alongside

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<sup>182</sup> Malloy, 95-110, quote from 98.

<sup>183</sup> Blasier (1972), 30; Malloy, 113-8.

his fellow Movimentistas, most vocally scorned any efforts by the Bolivian government to negotiate with Standard Oil.<sup>184</sup>

As the US government, the Peñaranda administration, and the MNR remained at a standoff, US officials presented to the Bolivian government a photocopy of a letter between the German diplomat Ernst Wendler and the Bolivian military attaché Major Elías Belmonte. The letter impressed upon US and Bolivian officials that Germany and Bolivian military officials were conspiring to overthrow the Peñaranda administration. Although US officials could not authenticate the letter, the Peñaranda administration swiftly reacted to the letter's call for a "coup to liberate [Belmonte's] poor country from a weak government of completely capitalist inclinations."<sup>185</sup> The 'Nazi Putsch' in 1941 witnessed not only the expulsion of the German minister but the arrests of many in the MNR leadership, including Walter Guevara, Céspedes, and Montenegro, which was associated with fascist ideology and opposition to Standard Oil compensation.<sup>186</sup>

The events of the Belmonte-Wendler letter, the 'Nazi Putsch,' and the attacks on Pearl Harbor provided a reorientation in the Bolivian climate. The silencing of the MNR for its alleged fascist leanings and increasing sympathy for US war efforts allowed for the Peñaranda administration to discuss compensation with Standard Oil. Ten days after the 'Nazi Putsch,' US policymakers presented to Bolivian officials

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<sup>184</sup> Blasier (1972), 30.

<sup>185</sup> Blasier (1972), 31. Blasier's article uncovers how the letter was manufactured by British agents undermining German influence in Latin America and aiding US efforts at mobilizing Latin America to the Allies' cause.

<sup>186</sup> Blasier (1972) notes "Víctor Paz Estenssoro and others of their associates who were members of congress were spared arrest because of parliamentary immunity" (32).

their intentions “to foster continued mutually beneficial economic relations between the United States and Bolivia and to develop the national economy and national resources of Bolivia.”<sup>187</sup> The Bolivian government paid Standard Oil \$1.7 million, and the US provided \$25 million in economic assistance to the country. This economic assistance included funding for the development and construction of roads, agricultural extensions, research programs, health centers, campaigns to eradicate malaria, yaws, and small pox, and overall public administration and customs collections.<sup>188</sup> With immunity from real prices in a competitive market due to its war efforts, the US government then benefitted from its domination of Bolivian tin production as the primary buyer of Bolivian tin and began to fill its strategic tin stocks.<sup>189</sup>

Nevertheless, the MNR continued to share its disappointment in the “vulgar deal” which put Bolivians’ needs behind those of foreign interests.<sup>190</sup> The emergence of the MNR brought the party and its leadership in direct conflict with US officials and pater-Americanism. This conflict between the MNR’s objectives and US policy toward Latin America would influence the MNR’s first experiences in Bolivian governance.

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<sup>187</sup> Blasier (1972), 32-3; Pike (1977), 257-8. It is important to note that the PIR, the more vocal of the leftist parties, supported the Peñaranda administration’s actions and joined the Allied cause, distinguishing the MNR and the PIR.

<sup>188</sup> Wilkie (1982), 83.

<sup>189</sup> See Lehman (1999), 79-82, for an interesting overview of Bolivian tin revenue and the US role within the context of World War II.

<sup>190</sup> Blasier (1972), 33.

In December 1942, a miners' strike at Cataví found the Peñaranda administration and the tin companies pitted against labor and the MNR. A labor union presented its demands for higher wages as the Patiño company filed increasing revenues of 84 percent, inflation rose 30 percent, and the miners' real wages languished with a raise of only 5 percent. Patiño representatives requested government assistance, and the Peñaranda administration sent the military. After killing 35 people, the military and the Peñaranda administration faced public repercussions. Capitalizing upon the 'Massacre of Cataví,' the PIR increased its influence among the labor unions and miners. The MNR, on the other hand, entered into an alliance with young military officers and overthrew the Peñaranda administration.<sup>191</sup>

The MNR installed Major Gualberto Villarroel as the new president. Emulating their adherence to nationalist reformist policies, the Villarroel regime reignited many of the policies initiated under the Toro and Busch regimes. Military officers as well as the Movimentistas Paz, Céspedes, Guevara, and Montenegro led these efforts. For US officials, though, these Movimentistas and their military allies signified the infiltration of fascism into the Western Hemisphere.<sup>192</sup>

US-Bolivian relations returned to their pre-Peñaranda status. After generating strong relations with the Peñaranda administration, US policymakers viewed the Villarroel regime as "an embarrassing dilemma" and decided to withhold recognition until they could complete a more thorough analysis of the new Bolivian

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<sup>191</sup> Malloy, 119-20; Dunkerley, 14-6.

<sup>192</sup> Pike (1977), 259.

government.<sup>193</sup> US officials continued to view the MNR as a party under a fascist ideology. Secretary Cordell Hull best epitomized US officials' preoccupations surrounding the Villarroel regime. Hull considered the MNR government as a threat to Allied war efforts and the inter-American system. Two days after the MNR seized power, Hull explained to the US Ambassador in Bolivia that US policymakers needed to determine "whether outside influence unfriendly to the Allied cause played any part" in the coup. After all, the provision of recognition to such a regime needed to first take into account how "the Hemisphere is at present under sinister and subversive attack by the Axis, assisted by some elements within the hemisphere itself."<sup>194</sup>

US officials' deliberations surrounding the recognition of the Villarroel regime faced another challenge when Argentina recognized the Villarroel government. The Argentine government shared many characteristics with fascist governments. Hesitant to cast its lot with the Allied war effort, Argentina sympathized with the nationalist, reformist military regime of Villarroel and the MNR, a composition reflective of the current Argentine leadership. Throughout World War II, Argentine officials sought to foster an interconnected and independent structure of Latin American countries apart from that led by the US.<sup>195</sup> In response to

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<sup>193</sup> Sanders, 28; Blasier (1972), 40.

<sup>194</sup> Blasier (1972), 40.

<sup>195</sup> Sanders, 30.



Argentine recognition and fearful of contributing to the spread of 'fascist' influences, the US continued to delay its recognition of the Villarroel government.<sup>196</sup>

US policymakers constructed their criticism of the Villarroel regime within the framework of pater-Americanism and the structure of the inter-American system. Early in 1944, US officials circulated a confidential memorandum to all Latin American countries, excluding Argentina. In the memorandum, US officials' opinions of MNR leadership in the Bolivian government and the role of Paz derive from the 'Nazi Putsch' and MNR opposition to previous US actions:

1. The Bolivian revolutionary regime is made up of two groups: members of the MNR, a pro-fascist political party, and young army officers...under Nazi influence as followers or associates of the notorious Major Elías Belmonte.
2. The recently-published official program and platform of the MNR [are]...hostile to continental interests...disparage democracy, are anti-Semitic, glorify the leadership principle and an all-powerful state and disregard the threat to hemisphere security from Nazi Germany.
3. The MNR leaders have been connected with Nazi groups in Germany and Argentina. Paz Estenssoro...frequented the German Embassy in La Paz and received money from Nazi agents for carrying pro-German propaganda together with party associates...
4. [Paz] was involved in 1941 in Nazi-inspired subversive activities of Major Belmonte. In 1942 Paz Estenssoro formed connections with Dionisio Foianini, associate of Belmonte who was engaged in a plot with the help of the German Ambassador in Buenos Aires against the Peñaranda government. The official newspaper of the MNR – *La Calle* received German subsidies and its articles expressed an attitude of hostility to the democracy. MNR congressional deputies opposed adherence of Bolivia to the Declaration by United Nations and filibustered to impede legislation to speed the war effort...[Paz] associated with Argentine pro-Nazis such as Pertiné, Mayor of Buenos Aires, Ibarguren, publicist and writer, and others...
5. Members of the Junta received financial support from pro-Nazi sources. [Paz] received money from Admiral Scasso, and...made arrangements for arms and additional financial assistance...Three million bolivianos were secured from German and Argentine sources for the revolt.<sup>197</sup>

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<sup>196</sup> Sanders, 28-9; Blasier (1972), 40-1.

<sup>197</sup> Blasier (1972), 41. The fourth note refers to events in the Chamber of Deputies on November 27, 1948, when seven of eight MNR officials walked out and while the eighth voted against a resolution for Bolivian adherence to the United Nations Declaration.

US officials ascertained that the mission statement, the programs, and the ideological orientation of the MNR and the Villarroel administration threatened recent US efforts to construct the inter-American system. Due in great part to the MNR's nationalist rhetoric and position against Standard Oil compensation, US officials continued to perceive MNR elements as an ideological challenge to Allied efforts and the inter-American system.

Consequently, US officials utilized recognition, economic assistance, and the inter-American system to bring pressure upon the Villarroel government. US officials worked with other Latin American countries (again, excluding Argentina) by building upon previous communications and successfully encouraging these countries to refuse recognition to the Villarroel government.<sup>198</sup> Without recognition, Bolivian officials lacked the primary buyer of Bolivian tin (the central source of government revenue), significant lend-lease aid, and essential political support in the Western Hemisphere.<sup>199</sup>

The Villarroel regime played an active role throughout US officials' deliberations. As Blasier (1972) pithily writes, "Within hours of its assumption of control, the Villarroel government sought to reassure Washington about its desire to have good relations with the United States and to support the United Nations in the war against the Axis."<sup>200</sup> The Bolivian government engaged in numerous activities to convince US officials of its support of the Allied war effort. Bolivian officials

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<sup>198</sup> Blasier (1972), 41-2. Hull claimed that the seemingly universal agreement to publicly refuse recognition represented an "achievement" and a "timely tribute" to inter-American solidarity.

<sup>199</sup> Blasier (1985), 48.

<sup>200</sup> 40.

nationalized companies belonging to German and Japanese citizens and froze any such funds. The Villarroel regime even adhered to its contract for the exclusive sale of quinine to the US.<sup>201</sup>

Nevertheless, the official position of the US did not waver. US officials argued that the blame for the downfall of the Peñaranda administration, an important cog within the inter-American system, rested upon “forces outside of Bolivia and unfriendly to the defense of the American republics,” forces which “inspired and aided” the ascent of the Villarroel regime.<sup>202</sup> A US official ‘enlightened’ a Bolivian official that the orientation and composition of the Villarroel regime prevented Bolivia from a return to US “good graces” and “that there would be no further lendlease shipments as long as there was an unrecognized government.”<sup>203</sup> This US official stressed how the US interpreted that “the revolutionary junta [of Villarroel] as it now stood contained *elements* which were wholly unacceptable and whose Axis taint was such that their continued presence precluded recognition by [the US].”<sup>204</sup>

The Villarroel government understood the message; the regime removed three cabinet members, including Céspedes and Montenegro. When US policymakers claimed that “these shifts have [not] materially altered the character of the [Villarroel] junta,” the last three MNR members in the Villarroel administration left. Among

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<sup>201</sup> Blasier (1972), 40. Lehman (1999) describes how the development of Atabrine undermined the strategic importance of quinine developed from Bolivian cinchona bark. US officials’ demands for the Villarroel government to realize its obligations of exclusive sale of Bolivian quinine to the US prevented the sale of quinine to Argentina, for US officials believe any such goods would find their way to the Axis powers (83).

<sup>202</sup> Sanders, 29.

<sup>203</sup> Blasier (1972), 42.

<sup>204</sup> Blasier (1985), 48, with my emphasis.

these officials were Paz and Guevara.<sup>205</sup> US officials now interpreted the ‘new’ Villarroel government as predisposed to the Allied cause. The US and the Latin American countries recognized the Bolivian government in June 1944. US officials then resumed lend-lease aid, economic assistance, and the purchase of Bolivian tin. These actions contributed to the end of six months of instability endured by the Villarroel government. US officials thus reinvited Bolivia into the inter-American system, for the Bolivian government no longer presented any ideological challenge to pater-Americanism.

These Movimentistas, though, deserve far more respect than that generated from a superficial impression of a handful of reform-minded officials ‘pushed’ out by US demands. Various authors have highlighted how the MNR officials’ exits served as attempts to maneuver around US policy and aid the Villarroel government. In July 1944, less than a month after Bolivia’s securing US recognition and the resumption of tin sales, the MNR swept Bolivian elections. In January 1945, the Villarroel regime welcomed Paz and other Movimentistas back into the administration. Pike (1977) describes how, “in 1945, Paz Estenssoro, serving as minister of the treasury, was the most important political figure next to the president himself.”<sup>206</sup> The MNR leadership realized the importance of US recognition and Bolivian conformity to US policy. As critics of the underdeveloped economic character of the country and its dependence upon tin exports and foodstuff imports, Paz and his fellow Movimentistas recognized the precarious nature of their membership in a military junta without

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<sup>205</sup> Blasier (1972), 42-3.

<sup>206</sup> 259. Sanders characterizes the MNR actions as “a tactical maneuver” (29).

constitutional or democratic legitimacy. The MNR accordingly complied with US policymakers and granted the Villarroel government a much needed respite from these officials' pressures. The MNR understood the ideological limits of US officials' tolerance of Latin America's self-determination. Paz and the Movimentistas understood the inter-American system and the consequences to Latin American countries that diverged from the ideals held by their northern neighbor.

In 1945 and 1946, US officials would once again put pressure on the Villarroel administration, albeit somewhat indirectly. The end of the war made tin from British Malaya available, and US policymakers utilized their strategic stockpiles of tin (accumulated from Bolivian purchases) to drive the international price down. As the US-Bolivian tin contract expired in June 1945, Villarroel officials pushed for favorable contracts that would provide long-term stability and development opportunities in the country. Víctor Andrade, the Bolivian ambassador to the US, explained the crusade and US officials' backlash to such aid in his memoirs. As the Big Three and Andrade met to negotiate a new contract, the US official seemed to forget Bolivian cooperation during the war and the country's dependence upon tin exports. The official declared that he had anticipated Bolivian discontent with the proposed contract, "If one of you wishes to dispute these decisions, I have arranged for three chairs to be placed out there under a tree. I can assure you, however, that I

will not occupy one of those chairs.” Bolivia would only obtain a more favorable one-year contract due in great part to Andrade’s appeals to higher US officials.<sup>207</sup>

By June 1946, US policymakers allowed for the tin contract with Bolivia to once again expire. Contract renewal faced challenges in the form of the Big Three’s opposition, Bolivian tax issues, and US officials’ indecisiveness. From June into July, members of Bolivia’s traditional parties organized against the Villarroel government. As Andrade again pleaded with upper-level US officials to propose a new tin contract or free Bolivia from its exclusive contract to sell tin to the US, the officials hesitated.<sup>208</sup> In Bolivia, the opposition to the Villarroel government capitalized on the expiration of the contract and the MNR leadership’s inability to secure a second agreement. US officials never attempted to hide their discontent with the ideological orientation and the tainted ‘elements’ of the Villarroel government. As Pike writes, “the commodity purchase agreement had lapsed and apparently could be advantageously renegotiated only by an administration more to Washington’s liking. This belief, at least, helped provide the catalyst that united the various elements of opposition to Villarroel.”<sup>209</sup> A revolt removed the Villarroel regime (and hung Villarroel) on July 21, 1946.

US officials, although not seeking to directly cause the overthrow of the Villarroel regime, quickly supported the new Bolivian government. US policymakers cast the latest events as contributions to the unified inter-American system and

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<sup>207</sup> Andrade, 68-73, and Lehman (1999), 84-5, describe the encounter and its implications in more detail.

<sup>208</sup> Blasier (1985), 50-1.

<sup>209</sup> Pike (1977), 260-1.

detrimental to the fascist influence of Argentina. The US Ambassador to Bolivia Joseph Flack explained that the elimination of the Villarroel government strengthened US influence in Bolivia:

A popular revolution in every sense of the word has just occurred in Bolivia...this may prove [to be the] first democratic government in Bolivian history. Immediate prospects are greatly improved [Bolivian] relations with the United States...

Because of [the] lengths...Argentines went to uphold [the] cruel and Fascist Villarroel dictatorship, reprisals in [the] form {of} [the] failure {to} ship needed food may be anticipated. This revolution [is] an irreparable blow {to} [the] formation of [an] anti-United States bloc so dear [to] Perón's heart. I therefore urge that we be prepared {to} ship any food necessary on any terms to prevent this democratic movement [from] falling victim to Fascist reaction because of people's hunger. Also that tin negotiations [must] be brought to prompt satisfactory conclusion as soon as recognition is accorded.<sup>210</sup>

US officials comprehended the value of imported foodstuffs and exported tin to Bolivia and the new, fragile government. The US recognized the new government on August 12 and concluded a tin contract on August 14.<sup>211</sup>

With the threat of international fascism, an extra-hemispheric challenge to its growing ideological dominance, the US government utilized oil, tin, the promise of recognition, and economic assistance to assert its supremacy in Bolivia. In Bolivia, coalitions of political parties attempted to enter into the government, replace the ruling regimes, assert their country's rights, and enact revolutionary reforms. However, these coalitions faced off against not only internal challenges but the external pressure deriving from the country's dependency upon US tin sales and financial aid. Both the Peñaranda and Villarroel administrations tempered their nationalist rhetoric and included US demands in their considerations. The provisions of economic assistance and tin contracts provided the necessary support to solidify

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<sup>210</sup> Blasier (1985), 52.

<sup>211</sup> Blasier (1985), 51-2.

(albeit in a temporary way) the administration's rule. By maneuvering around US officials' preoccupations, the Villarroel administration and the MNR leadership recognized the dangers of US nonrecognition and maneuvered within US officials' perception of Latin American governance and the inter-American system, ameliorating any external pressure emanating from US influence and ideological hegemony.

From 1946 to 1952, the *sexenio* of interchanging governments provided the leadership of the MNR with the opportunity to develop its party. The Movimentistas expanded their influence. From exploiting social discontent to constructing links with labor movements, the MNR grew from a 'political party to a revolutionary movement.'<sup>212</sup> MNR officials such as Paz and Andrade had entered and exited the political scene due in great part to the perceptions of US officials, the construction of US policy, and the inter-American ideals underpinning the inter-American system. Such experiences would serve as important lessons as the MNR entered into the 1951 Bolivian elections.

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<sup>212</sup> See Malloy, 136-49, for narrative of MNR activities until the 1951 elections.



## Chapter 7

### Educated Experience: US-Bolivian Relations, 1953-1954

After seizing power in 1952, the Paz government and its MNR leadership proactively sought to placate US officials. Applying its previous experiences with US-Bolivian relations and the importance of conformity to the inter-American system, the Bolivian government would seek out US recognition and assistance in order to solidify its position and enact its promises for national reforms. With a treasury of less than 30 million dollars and bearing the repercussions of cancelled tin purchases by US officials, the MNR leadership maneuvered within US foreign policy and fulfilled the inter-American expectations of US policymakers. The Paz government understood the dangers posed by external US pressure upon a fragile Bolivian government and the country's dependency upon tin exports to the US. The MNR leadership was determined not to repeat the same mistakes.<sup>213</sup> As a result of the Paz government's compliance, Eisenhower officials would provide the resources necessary to prop up the Paz government and the MNR Revolution.

At first glance, the Eisenhower Administration's support of and aid to the Paz government contradicted US foreign policy toward Latin America during the Cold War. The MNR government nationalized tin companies, initiated a land reform, reduced the strength and influence of the army, and drew support from communist organizations.<sup>214</sup> If the Eisenhower Administration were to have based its policy toward Bolivia on the history of US-MNR relations over the previous decade and a

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<sup>213</sup> Dunkerley, 54.

<sup>214</sup> Wood (1985), 146.

half, Eisenhower officials would have had a negative reaction to the Paz government.<sup>215</sup> To reiterate this observation, one can note how the decision to provide a tin contract and economic assistance to Bolivia in 1953 coincided with Eisenhower officials' first steps to overthrow the Arbenz government.<sup>216</sup> US aid would allow for the Paz government to realize the revolutionary promises defining the Bolivian Revolution and would help sustain the MNR government during the coming years.<sup>217</sup> Nevertheless, "no ambivalence or ambiguity existed in the minds of those who made the 1953 decision to aid the [Bolivian] Revolution."<sup>218</sup> Eisenhower officials similarly held little regret in the construction of their policy toward the Arbenz government. How would the nationalist reformist Paz government obtain economic assistance from the Eisenhower Administration while those same officials undermined the nationalist reformist Arbenz government? Before discussing how the Paz government would 'earn' its economic assistance from the Eisenhower Administration in 1953, one must review Bolivia's economic and political environment in 1952.

During the *sexenio*, various administrations attempted to lead the country following the murder of Villarroel.<sup>219</sup> The PIR and other leftist organizations such as the Bolivian Communist Party vied with the MNR to gain a political majority, yet the MNR dominated the urban labor movement. In the 1951 elections, Paz (while in

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<sup>215</sup> Sanders, 31.

<sup>216</sup> Lehman (1997), 185.

<sup>217</sup> Sanders, 36.

<sup>218</sup> Sanders, 42.

<sup>219</sup> See Malloy, 127-64, for a more detailed account of the activities and development of the MNR during the *sexenio* as well as the insurrection leading to the military junta's overthrow.

exile) and the MNR received 39,000 of the 54,000 votes cast. When the Bolivian army intervened and denied the MNR its victory by claiming that the MNR had a communist orientation, the MNR called for an armed uprising. A diverse range of supporters emerged, including miners and middle-class civilians. After three days of fighting, the MNR and Paz moved into the government.<sup>220</sup> Under the leadership of Paz and Siles, the MNR claimed that its assertion of power in 1952 restored its electoral mandate to govern during the elections in 1951.<sup>221</sup>

Truman officials regretted the rise of the MNR government.<sup>222</sup> Sanders draws parallels between the MNR's seizure of power in 1942 and the MNR's seizure of power in 1953. In both cases, the nationalist reformist party toppled a US-supported government. Truman officials had admired the military junta's prevention of "a coup by a candidate (Dr. Víctor Paz Estenssoro) who, characteristically enough, was domiciled in Argentina and known to be on close terms with Perón."<sup>223</sup> After noting that the delayed recognition of the Paz government would do little to serve US objectives in Latin America, the US issued its recognition on June 2, 1952, in a 'terse'

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<sup>220</sup> Sanders describes how the MNR seized power with relatively little violence, in contrast to other Latin American revolutions such as those in Mexico and Cuba. Nevertheless, the MNR's entrance into the government merits credit for pushing forward the Bolivian Revolution, for the MNR would initiate numerous programs that would alter the Bolivian country and determine its trajectory in the coming years (31).

<sup>221</sup> Malloy, 168.

<sup>222</sup> See Sanders, 29-32, for discussion of how US officials continued to denounce the MNR during the *sexenio* as a "minority political group...(that) attempts by force to overthrow a government which has gained its right to authority through genuine electoral processes" and to blame the MNR for fascist influences linked to the Perón government in Argentina.

<sup>223</sup> Sanders, 31; Sanders also describes how US policymakers had provided assistance to the various *sexenio* governments through the Export-Import Bank and Point Four aid in order to prop up the governments during periods of rising inflation and poor agricultural output and to prevent MNR inroads and fascist influences (31-2).

statement, “The U.S. Chargé d’Affairs, Thomas J. Maleady, at La Paz on June 2 informed the Foreign Minister of Bolivia, Walter Guevara Arce, of the recognition by the U.S. Government of the new Government in Bolivia.” US officials, though, emphasized that this recognition did not merit US approval of the Paz government. US officials remained cautious of the MNR government.<sup>224</sup>

This hesitation drew in great part from US officials’ perceptions of the MNR as a communist organization. By the 1950s, the ideological challenge to US hegemony in Latin America turned from fascism to communism. Critics of the MNR thus maneuvered to label the MNR as a communist organization. Emphasizing the leftist influences and programs of the MNR, critics attempted to present the MNR now as a communist organization opposed to US interests and leadership.<sup>225</sup>

The Eisenhower Administration would bear the responsibility of determining US policy and providing assistance to the Paz government in 1953. Although the Truman Administration had recognized the Paz government, Truman officials delayed any official tin agreements. US recognition aided the Paz government, but the allocation of economic and technical assistance still remained uncertain.<sup>226</sup> Eisenhower officials would preoccupy themselves over the ideological orientation of the Paz government until an announcement on July 6, 1953, to offer a one-year tin contract and a doubling of technical assistance to Bolivia. In early 1953, though, the

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<sup>224</sup> Wood (1985), 147; Sanders, 33.

<sup>225</sup> Blasier (1985), 131-32.

<sup>226</sup> Consider how US officials’ preferences for an alternative government during the Villarroel regime influenced opposition movements to overthrow the MNR government.

Eisenhower Administration had not yet decided to support the Paz government and the Bolivian Revolution.<sup>227</sup>

Implementing policies of agrarian reform and nationalization, the Paz government limited its rhetoric and presented itself as a moderate government that did not challenge the pater-American ideals underpinning the inter-American system. One of the most important tenets championed by the Paz government was its respect for private property and foreign investment. The provisional president Hernán Siles Suazo quickly promised that the MNR government would honor Bolivia's international obligations and agreements.<sup>228</sup> Upon his return to Bolivia, Paz emphasized how the MNR was preparing to nationalize the tin mines. Such rhetoric reflected the MNR's nationalist mission and appealed to the Bolivian populace. The next day, though, Paz quickly modified his rhetoric and proclaimed that the revolutionary government would "feel its way carefully."<sup>229</sup> Upon assuming the presidency, Paz quickly transformed from a vocal anti-imperialist nationalist to a champion of foreign investment.<sup>230</sup> Such proclamations targeted US officials and their search for a 'suitable' government in Bolivia; Paz's words fell well within the ideals of pater-Americanism.

Paz would reaffirm US officials' faith in the capability of private enterprise to bring development and modernity to Bolivia. Paz skillfully utilized such an ideal to justify the MNR's nationalization of the tin mines. Paz articulated that the

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<sup>227</sup> Wood (1985), 147; Sanders, 36; Blasier (1985), 131, 134.

<sup>228</sup> Sanders, 33.

<sup>229</sup> Sanders, 32.

<sup>230</sup> Pike (1977), 292.

nationalization of the tin companies would eliminate an oligarchy that had closed off the Bolivian economy; the nationalization of the tin mines thus served to create a suitable environment for private investment.<sup>231</sup> Additionally, Paz reaffirmed that he wished for the MNR and the mine owners to reach a mutually satisfactory agreement concerning compensation.<sup>232</sup> Paz's calls for 'just' compensation and a suitable environment for foreign investment were in great part words meant for US officials. Siles assured US officials that the goals of the Bolivian Revolution would not oppose US investments or private property. Paz further clarified that the MNR's nationalization policies were limited to the Big Three tin companies. Bolivian ambassador Andrade reassured the US:

There is genuine regret that nationalization became necessary. It is our feeling that private enterprise, under ordinary circumstance, can more quickly and effectively develop resources that can government. Bolivia's poverty is a further handicap to government exploitation of mineral resources. Nor does my government relish the bad reaction which nationalization has caused in some quarters of the United States.

We badly need and want the help of outside capital. The billions of dollars in the United States that seek profitable outlets, and the unparalleled technical skills which are a formidable part of our strength, will be welcome in Bolivia...I repeat, my government will try to create an atmosphere which attracts private capital.<sup>233</sup>

In contrast to the Arbenz government, the Paz government immediately contested the image of the Bolivian Revolution as one of uncontrolled nationalist fervor. Paz officials downplayed the expropriation of the tin companies so as not to portray an unguided revolution striking against or hindering private enterprise and foreign investments. Such a presentation incorporated vital characteristics in US foreign policy, especially that of the Eisenhower Administration, toward Latin America. The

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<sup>231</sup> Lehman (2003), 99. Lehman (2003) also notes how the Paz government issued the nationalization decree on October 31 in order to coincide with the national elections in the US and receive less publicity.

<sup>232</sup> Blasier (1985), 130.

<sup>233</sup> Blasier (1985), 87-8.

Paz government appealed to US officials' belief in the power of US capital to provide for the country's economic development.<sup>234</sup>

Eisenhower policymakers, however, still would not support the MNR government. US officials tied recognition, tin contracts, and economic assistance to actual compensation to the Big Three tin companies. US fears of the nationalization of US properties in Latin America weighed heavily upon the minds of Eisenhower officials.<sup>235</sup> US citizens owned almost a quarter of the Patiño Company. US officials, therefore, could not support the MNR and the Paz government without 'just' compensation in accordance with US policy and international law. With this understanding, as well as past experience with the power of US support and tin purchases, the MNR leadership reached an agreement with the Patiño Company in June 1953. Over the next six months, Eisenhower officials would provide the Bolivian government with a tin contract, increased technical assistance, and almost \$10 million in agricultural goods and commodities.<sup>236</sup> The Paz government's efforts to pacify US official's concerns over the trajectory of the Bolivian Revolution proved fortuitous. Whereas the Arbenz government had refused to negotiate any alternative compensation agreements with UFCO, the Paz government reached a provisional

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<sup>234</sup> Blasier (1985) provides an example of how the Paz government encouraged foreign investment. As the Paz government finalized the compensation agreement and wooed Dr. Eisenhower, the Bolivian government entered into agreements with US companies for future ventures. One of the more notable agreements was with Gulf Oil (133). Such agreements would prove instrumental in convincing the Eisenhower Administration of the intentions of the Paz government.

<sup>235</sup> NSC memorandum of the 137<sup>th</sup> Meeting of the National Security Council, Wednesday, March 18, 1953, Dwight David Eisenhower Library, Abilene, Kansas, "Papers as President of the United States: NSC Series," Box 4.

<sup>236</sup> Blasier (1985), 88.

agreement with a full settlement with US investors less than a year after nationalizing the Big Three companies. The MNR leadership, including Paz, Siles, and Andrade, stressed their commitment to US inter-American policies such as the inter-American system. With these officials' appeals to the ideals of US foreign policy, especially the power of private investment and the composition of a 'controlled' revolution, the Eisenhower Administration would not perceive the MNR as a threat to the inter-American system.

The MNR leadership's strategy of obtaining the support of the Eisenhower Administration was not limited to private enterprise and compensation. Within the Cold War ideology, opponents of the MNR described the party to US officials as a Communist party. In early 1952, one US policymaker had shared his fears over the rise of the MNR and claimed, "The MNR has accepted Communist support and might collaborate with the Communists or even fall under their domination if it came to power."<sup>237</sup> Another official linked the MNR government to the dangers of a new Communist party, "criminal agitation of the Indians of the farms and minds," and "passive or active complicity of certain legal authorities in the Communist campaign."<sup>238</sup> Leveled during the Truman Administration, these charges bore striking similarity to those provoking US officials' repression of the Arbenz government. US officials' initial fears that the Bolivian Revolution would "develop

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<sup>237</sup> Wood (1985), 146.

<sup>238</sup> Wood (1985), 146.



into another Iran” were further complicated when Guatemala was the first country to recognize the MNR government.<sup>239</sup>

The Paz government actively resisted any criticisms that the MNR suffered from communist subversion. After the insurrection, Andrade quickly expressed to US officials that the MNR was “not Communist. We give assurances that it is not dominated by a foreign government.”<sup>240</sup> Siles declared that the coup against the military junta was “completely democratic, without any connection with international communism.”<sup>241</sup> The Paz government refused to allow Communists into the government’s leadership and even removed alleged Communists from positions of government.<sup>242</sup> Such responses to the threat of communist subversion ameliorated many US officials’ fears of the ideological orientation of the MNR.

The MNR suffered not only from its own leftist policies but the support of Communist organizations during the insurrection.<sup>243</sup> One of the first Paz officials to oppose any labels of communist infiltration resulting from the *Partido de la Izquierda Revolucionaria* (PIR) and other Communist organizations’ participation in the Bolivian Revolution was the foreign minister Guevara. He expressed to US officials:

When the people of Bolivia were engaged in their final battle against the oligarchy of great mine owners and the feudal landholders, the Communists raised their voices with ours. They did us greater harm than good, but in a life-and-death struggle everyone who helps is good, as the Western powers proved during the Second World War when they enthusiastically welcomed Soviet Russia as an ally.<sup>244</sup>

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<sup>239</sup> Lehman (2003), 98.

<sup>240</sup> Blasier (1985), 132. See Andrade’s biography for a detailed narrative of how Andrade campaigned against any perceptions of communist influence in the MNR government.

<sup>241</sup> Sanders, 32-3.

<sup>242</sup> Blasier (1985), 132; Wood (1985), 151.

<sup>243</sup> Blasier (1985), 129-30.

<sup>244</sup> Blasier (1985), 132.

The Paz government and MNR officials played off the US-USSR alliance during World War II to justify PIR support during the insurrection. Thus, the MNR manipulated the US alliance with the Soviet Union to challenge international fascism in order to obtain US empathy and support. MNR officials also utilized its history of confrontation with PIR to its favor. The Movimentistas had blocked the PIR from entering into the Villarroel regime. The PIR responded by participating in the coup against Villarroel. Throughout the *sexenio*, the PIR often joined the traditional parties. Although the PIR aided the MNR during the 1952 uprising, the MNR maintained significant distance from the communist organization. The PIR's association with the *sexenio* governments had reduced its membership and encouraged many labor organizations and leftists to turn to the MNR and the labor groups under the leadership of Juan Lechín. Without significant membership or a more prominent role in the Revolution, the PIR did not command the political influence of leftists such as Lechín. In contrast to its associations and compromises with Lechín and his leftist labor supporters, the MNR had no obligation to include the PIR in the new Bolivian government.<sup>245</sup> While the PIR represented the influence of international communism and its attempts to infiltrate the Latin American country, the MNR gradually came to represent the voice of the Bolivian people, a rival to the PIR, and at best the extinct ideological challenge of international fascism.<sup>246</sup>

The MNR leadership presented itself to the Eisenhower Administration as a legitimate government well within the confines of the inter-American system. In

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<sup>245</sup> Blasier (1985), 132.

<sup>246</sup> Blasier (1985), 132-3.

contrast to the Arbenz government, the Paz government incorporated US policymakers' demands into their considerations. From compensation to anti-communism, the MNR leadership maneuvered within pater-Americanism in order to obtain the capital necessary to maintain its government and propel the Bolivian Revolution. The MNR government had reflected upon its earlier experiences with external US pressure and adeptly applied these lessons into its policies.

Once again, assistant secretary John Moors Cabot would typify how US policymakers constructed their response to Latin American governments upon the compliance of Latin American countries under pater-Americanism. As he perceived the Arbenz government as a challenge to US foreign policy, Cabot would serve as one of the champions of economic aid to Bolivia. Cabot believed that aid to Bolivia would deter international communism as well as the strength of domestic leftists. Furthermore, Cabot linked a humanitarian objective in providing the Bolivian country with economic aid to the struggle against communism:

Given the traditional political pattern there and the grave stresses to which the country is subject, chaos seemed certain and a swing to communism probable if we sat on our hands...We face alike the implacable challenge of communism...If we have our reservations regarding some of the present Bolivian Government's measures, we believe it is sincere in desiring social progress and in opposing Communist imperialism.<sup>247</sup>

In order to aid the Bolivian government, Cabot approached the Reconstruction Finance Corporation, the Treasury Department, the International Monetary Fund, and the Export-Import Bank. Unfortunately for Cabot, the organizations denied Bolivia a three-year tin contract and a \$10 million loan. Cabot, though, then approached Foster Dulles and claimed that, "if the economy and the present Government [in Bolivia]

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<sup>247</sup> Sanders, 43.

collapse, the extremists of Communist affiliation may gain control.” Cabot argued that US aid to the Movimentistas was “a comparatively low price to pay if, as we believe it can be instrumental in preventing a total breakdown and give Bolivia a reasonable change to bring about at least a moderate degree of stability.”<sup>248</sup> The rhetoric and actions of Paz officials achieved their goals: Foster Dulles approved Cabot’s opinion:

Apart from humanitarian considerations, the United States cannot afford to take either of the two risks inherent in such a development: (a) the danger that Bolivia would become a focus of Communist infection in South America, and (b) the threat to the United States position in the Western Hemisphere which would be posed by the spectacle of United States indifference to the fate of another member of the inter-American community.<sup>249</sup>

These prominent Eisenhower officials placed the MNR government as a valuable asset to the inter-American system. A Latin American government that encouraged an atmosphere for foreign investment and resisted communist influence merited the assistance of the Eisenhower Administration.

By far the most important proponent of US assistance to the Paz government would be Dr. Milton Eisenhower. In his analysis of the MNR government in Bolivia, Dr. Eisenhower’s ‘sympathy’ for the MNR government rested firmly upon the sentiments and solutions already shared by many within the Eisenhower Administration that the MNR government sought to fulfill its responsibilities under pater-Americanism.

Dr. Eisenhower’s explanation of the difficulties facing Bolivia and the need for US aid combined pater-Americanism with the policies of containment and development. After departing Bolivia, Dr. Eisenhower linked the economic

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<sup>248</sup> Wood (1985), 148.

<sup>249</sup> Wood (1985), 148.

difficulties in Bolivia to hemispheric security. Emphasizing that his trip was “beginning [to] develop an integrated view [of] conditions in South America,” Dr. Eisenhower telegraphed, “Conditions in Bolivia are unbelievably bad thus creating a situation of grave concern to entire hemisphere.”<sup>250</sup> Following up on the message, Dr. Eisenhower later assured President Eisenhower that the MNR government was “by no means communistic.” Furthermore, he explained, “Should the present government fall, it seems probable that it will not [be] succeeded by a communist government, nor by a fascist one. Rather, a period of chaos would set in.”<sup>251</sup> As a result, Dr. Eisenhower associated any support from the Eisenhower Administration as support to an ally that served US interests, rather than a communist country that undermined US relations and solidarity with Latin American countries.

Throughout his observations of Bolivia, Dr. Eisenhower championed an approach that resembled the ideas discussed among Eisenhower officials. In describing the MNR government, Dr. Eisenhower emphasized how the Bolivian government’s championing of policies of nationalization and reform – which could be seen as mirroring those initiated in Iran and Guatemala – was merely “restless in tendency.” The challenges facing Bolivia derived from the country’s inability “to get

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<sup>250</sup> Telegraph from Dr. Milton Eisenhower to President Eisenhower, July 13, 1953, Dwight David Eisenhower Library, Abilene, Kansas, “Papers as President of the United States: DDE Diary Series,” Box 3.

<sup>251</sup> Transcription from Dr. Milton Eisenhower to President Eisenhower, July 24, 1953, Dwight David Eisenhower Library, Abilene, Kansas, “Papers as President of the United States: DDE Diary Series,” Box 3.

on a sound economic footing.”<sup>252</sup> For Dr. Eisenhower, the fears among US officials that this government would follow a communist path of progress misrepresented the actual nature of the government. The MNR suffered from the maladies of nationalism already mentioned by Dulles. In such communications, Dr. Eisenhower placed the difficulties pertaining to Bolivia as challenges facing policies of containment and efforts to achieve hemispheric solidarity, as envisioned by the inter-American system. If the MNR government were to fall, the US would simply be faced with chaos (rather than opportunity) in the country. Dr. Eisenhower’s call for assistance to Bolivia emerged from the MNR government’s promises to adhere to the ideology of the inter-American system.

Economic development projects united the core proposals of the report since the MNR government would welcome such aid and utilize US assistance to promote a model Latin American country. For Bolivia, the country would find its future “as a result of the construction of a new highway, financed in large part with an Export-Import Bank Loan.”<sup>253</sup> For Dr. Eisenhower, the policies followed in Bolivia provided the solution to Latin America’s economic backwardness. “If the energies of people are properly joined with capital, with incentives for self-betterment, and with stable political and economic conditions,” the US would ensure that Latin America would pursue a path of modernity and progress attuned to that of the US rather than that of

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<sup>252</sup> Transcription from Dr. Milton Eisenhower to President Eisenhower, July 24, 1953, Dwight David Eisenhower Library, Abilene, Kansas, “Papers as President of the United States: DDE Diary Series,” Box 3.

<sup>253</sup> “Report to the President: United States-Latin American Relations,” 21.

the USSR.<sup>254</sup> Dr. Eisenhower championed US assistance to Bolivia, as the Paz government maneuvered to appease the expectations of US officials, especially in creating an environment for private investment.

The Paz government's success in constructing a dialogue with the Eisenhower Administration based on democratic governance, anti-communist ideology, and respect for private enterprise is evident in the policies of Cabot and Foster Dulles. Because the MNR had proactively incorporated the ideals defining the inter-American system into its orientation, Cabot and Foster Dulles campaigned for economic aid to the Paz government as they called for more aggressive policies against the Arbenz government. Lehman (1997) utilized Cabot's perception of Bolivia and Guatemala to argue that US officials "accepted reform only if not accompanied by a strong anti-American line, if the reforming government did not appear intransigent in the face of U.S. pressure, and if reform was not directed at U.S. interests."<sup>255</sup> This thesis argues that Cabot's and other officials' interpretations of the two Latin American governments stemmed in great part from such characterizations. Eisenhower officials distinguished between the Arbenz and Paz governments because, in their view, only one government complied with the ideals behind the inter-American system and pacified US officials' pater-American preoccupations.

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<sup>254</sup> "Report to the President: United States-Latin American Relations," 18.

<sup>255</sup> 195.

Bolivia's previous experiences with US foreign policy and assistance allowed for Paz to pacify numerous Bolivian actors and placate US officials.<sup>256</sup> The Bolivian government recognized the value of US assistance. The loss of such resources during a period of political turmoil would further destabilize the nation during the Bolivian Revolution. Paz's leadership provided for the Bolivian government to shift its policies in a manner deemed 'appropriate' to US officials without alienating important Bolivian support for the Revolution and the MNR government.

In contrast to the Arbenz government, the Paz government maneuvered within US foreign policy and presented itself as an important addition to the inter-American system. The Movimentistas' experiences during the previous years derived in great part from the social and economic problems fueling the Bolivian Revolution and the external pressure emanating from the US. US policymakers may have glanced superficially over the complex factors defining Bolivian society, but the Paz government comprehended the precariousness of its political mandate to guide the Revolution. The MNR leadership, building upon its experiences with US foreign policy, conformed to the Eisenhower Administration's inter-American expectations, obtaining significant aid to the Bolivian Revolution.

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<sup>256</sup> Dunkerley provides a more thorough discussion of the internal dynamics of Bolivian politics during the Paz government.



## Chapter 8

### Conclusion

Various scholars have focused on the Eisenhower Administration's foreign policy toward Latin America to analyze US-Latin American relations during the Cold War. Within the first years of his presidency, Eisenhower and his officials witnessed what they classified as a full-fledged communist invasion in the Western Hemisphere. Eisenhower officials feared that, if left unchecked, communist subversion in Guatemala would spread throughout Latin America. The Eisenhower Administration thus proceeded with plans to overthrow the Arbenz government and support a counter-revolutionary coalition.

Scholars have also reflected upon the Eisenhower Administration's response to the Bolivian Revolution. As they prepared to overthrow a nationalist reformist government in Guatemala, Eisenhower policymakers were also preparing to provide economic assistance to the nationalist reformist government in Bolivia. Noting how the countries and governments of Arbenz and Paz shared numerous similarities, historians classified US policy toward Bolivia as a 'quiet' or 'pragmatic' experiment in foreign policy.

This thesis seeks to contribute to the discussion surrounding the reasons why the Eisenhower Administration implemented counter-revolutionary policies with regard to the Arbenz government in Guatemala while simultaneously contributing economic aid to the Paz government in Bolivia. Building upon the ideology of US foreign policy toward Latin America that I have here identified as pater-

Americanism, the thesis argues that the Eisenhower Administration in 1953 and 1954 constructed its own foreign policy with regard to Latin America. The Eisenhower Administration framed a policy that sought to revive the inter-American system.

Demonstrated during World War II, the inter-American system presented a united 'America' under the paternalistic guidance of the US. Latin American countries provided primary resources and a safe environment for private investment, especially that of the US. In return for hemispheric solidarity and the region's support, US officials implemented programs of economic aid to Latin America and spearheaded the defense of its southern neighbors.

While the Arbenz government in Guatemala challenged US hegemony, the Paz government confirmed its role in the inter-American system and pacified the inter-American expectations of US officials. While US officials perceived Guatemalan reforms as fomenting communist subversion, the Bolivian government championed policies of private investment and anti-communism.<sup>257</sup> Sanders stresses that US policymakers characterized the Paz government as the only solution for short-term security in Bolivia.<sup>258</sup> US policy toward Bolivia from World War II to the Cold War sought to prop up governments that acknowledged the ideals defining the inter-American system. With the threat of international communism looming over the region (according to US officials), Eisenhower officials promoted governments that promised to serve as deterrents against communism, allies on the international stage, and safe havens for foreign investment. Policymakers, throughout the levels of US

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<sup>257</sup> Lehman (1997), 200.

<sup>258</sup> See 43-9.

bureaucracy, identified these characteristics in the MNR leadership and the Paz government.

The Eisenhower Administration viewed the Arbenz and Paz governments through the lens of pater-Americanism. The Arbenz government's 'sins' included its cooperation with communists, its persecution of private investments, its refusal to yield to US demands, and its disregard for US leadership in the Cold War. In refusing to capitulate to the expectations of the Eisenhower Administration, the Arbenz government diverged from its proscribed role in the inter-American system.

The MNR leadership, on the other hand, proactively complied with US officials and their stipulations for the role of the Paz government. As Cottam emphasizes, the actions of MNR officials did not challenge the paternalistic images of Latin America held by many US officials. The Paz government purposefully maneuvered to secure the Eisenhower Administration's support. From the cautionary approach to nationalization to the anti-communist rhetoric to the protection of private investment, the Paz government did not challenge the perception of the inter-American system held by the Eisenhower Administration or the pater-American ideals informing such perceptions.

In analyzing US officials' perceptions of the two Latin American governments through documents detailing their discourse, this thesis emphasizes that the US policymakers' approaches to these two governments depended upon each country's conformity to or divergence from the tenets of pater-Americanism. The Eisenhower

Administration's approach to US-Latin American relations built upon the established ideology, and US officials' actions merely brought that ideology into the Cold War.

This thesis' analysis of the role of pater-Americanism uncovers important facets behind the Eisenhower Administration's policies toward the Arbenz and Paz governments. The Arbenz government attempted to embark on a path of self-determination and did not accept US guidance or Guatemala's role as an obedient country in the system. Its rhetoric and its actions defied the tenets underpinning the inter-American system, for the Guatemalan country refused to appease US officials. In contrast to the Guatemalan government, the Paz government directed its rhetoric and maneuvered within pater-Americanism as the means to appease the Eisenhower Administration.

This thesis' analysis of US officials' perceptions of the Guatemalan and Bolivian governments through the lens of pater-Americanism provides a significant contribution to existing analyses of the Eisenhower Administration's diverging responses to the two Latin American governments. Some analyses have stressed domestic factors in the two nations, and others have highlighted the bureaucratic framework of US policymaking. This thesis' discourse analysis reveals that intangible factors played an important role. An ideology of paternalism informed US officials' perceptions of the two governments. These perceptions ultimately impacted the Eisenhower Administration's perceptions and contributed to the resulting diverging responses.

This thesis' examination revealed important factors behind the Eisenhower Administration's differing responses to the Guatemalan and Bolivian governments. The efforts of the Paz government to realize its role in the inter-American system assured many US officials, most prominently the experienced John Moors Cabot and Dr. Milton Eisenhower. By examining how these individual actors interpreted the words and deeds of the two governments, this thesis exposed how the subjectivity of the officials' decisions depended upon how the two Latin American governments conformed to pater-Americanism. The Arbenz government rebuffed the attempts of US officials to 'guide' and 'redirect' the Guatemalan government along a path of governance defined by policies of anti-communism and private investments. The actions and the rhetoric of the two governments differed, so the responses of the Eisenhower Administration responded to the two governments differently. These responses transpired precisely because the Paz government maneuvered to appease US officials and the Arbenz government challenged pater-Americanism.

Furthermore, this analysis furthers the discussion of how the Eisenhower Administration constructed the foundation for US-Latin American relations during the Cold War. Throughout the Cold War, the US would provide support to bureaucratic authoritarian regimes throughout Latin America that presented themselves as defenses against communist infiltration, as sources for important resources, and as hemispheric allies in the US-led crusade against an opposing idea of governance and progress. By conforming to the inter-American system and pater-Americanism, these Latin American governments received US guidance in the pursuit

of modernity and furthered the image of paternalism held by US policymakers. In contrast to these governments, those Latin American countries that departed from US-determined constraints on 'proper' self-governance and modernity would endure severe US pressure or even US-facilitated counter-revolutionary movements.

Through the analysis of the Eisenhower Administration's perceptions of the Arbenz and Paz governments in 1953 and 1954, one uncovers the first steps in how US officials would approach Latin America throughout the Cold War. The Eisenhower Administration formulated its reactive policy toward Guatemala on the premise that the country diverged from its place in the inter-American system, and the removal of the Arbenz government would allow for more 'suitable' leadership to re-establish the country's role. In response to the conciliatory nature of the Paz government, Eisenhower policymakers provided economic assistance supported by the belief that such aid would bring progress to the country and ensure hemispheric unity in the face of international communism. For almost 50 years, later US administrations would recreate these policies with the same purposes and upon similar perceptions. If a Latin American government were to challenge US leadership of the inter-American system, US officials would support counter-revolutionary movements to secure proper governance for the country, demonstrated by the Reagan Administration's reaction to the Sandinista government in Nicaragua. Latin American governments that dutifully realized their responsibilities to the inter-American system were rewarded with significant US aid, as epitomized in the Kennedy Administration's Alliance for Progress.

This thesis' analysis of the Eisenhower Administration's perceptions of the Arbenz and Paz governments in 1953 and 1954 contributes to the scholarly discussion of US-Latin American relations during the Cold War. The Eisenhower Administration's actions served to bring the inter-American system and pater-Americanism into the Cold War. The duration of the Cold War would witness US officials' approaching Latin American governments based upon such ideals while Latin American governments actively maneuvered within or against this framework.

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